

Exhibit E

Before the
INTERSTATE COMMERCE COMMISSION

Finance Docket No. 29430 (Sub-No. 1)

NWS ENTERPRISES, INC.
— CONTROL —
NORFOLK AND WESTERN RAILWAY COMPANY AND
SOUTHERN RAILWAY COMPANY

APPLICATION - VOLUMES 2 AND 2A

CORPORATE INFORMATION - SECTIONS 1111.1 (a-e)
BALANCE SHEETS - EXHIBIT A-18
INCOME STATEMENTS - EXHIBIT A-19
STATEMENT OF BENEFITS - EXHIBIT 20
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DATED: December, 1980

NWS — 1
NWS — 94 and 95

VOLUME 2

TABLE OF CONTENTS

	Page
Narrative Description of the Proposed Transaction (Response to Section 1111.1(a))	1
Identification of Applicants (Response to Section 1111.1(b))	9
Information Respecting Applicants (Response to Section 1111.1(c))	14
Information Respecting the Nature of the Transaction Proposed and the Terms and Conditions Thereof (Response to Section 1111.1(d))	16
Arguments in Support of the Proposed Transaction (Response to Section 1111.1(e))	25
Conclusion	32
Exhibits A-18	45
Exhibits A-19	51
Exhibit 20	57
<u>Appendices</u>	
Appendix 1 - Response to Section 1111.1(c)(1)(ii)	63
Appendix 2 - Response to Section 1111.1(c)(7) through (11)	74
Appendix 3 - Response to Section 1111.1(c)(12)	92

VOLUME 2A

TABLE OF CONTENTS

Verified Statement of John R. Turbyfill.	95
Verified Statement of Thomas H. Kerwin	109

SECTION 1111.1(a) - NARRATIVE DESCRIPTION
OF THE PROPOSED TRANSACTION

- (1) Brief summary of the
proposed transaction.

The proposed transaction involves Interstate Commerce Commission (Commission) authorization under Section 11343 et seq. of the Interstate Commerce Act (49 U.S.C. §11343 et seq.) for NWS Enterprises, Inc. (NWS), a newly-incorporated non-carrier holding company, to acquire control through stock ownership of Norfolk and Western Railway Company (NW) and its subsidiary carrier companies, and of Southern Railway Company (Southern) and its consolidated system companies (collectively SR).

Specifically, upon receipt of Commission approval and authorization, Norfolk and Western Railroad Company of Virginia (NWRC) and Southern Railroad Company of Virginia (SRC), both formed for purposes of merger and owned by NWS, will be merged respectively into NW and Southern. At the time of these mergers, all issued shares of NW and Southern Common Stock will be exchanged for newly-issued shares of NWS Common Stock.* Upon completion of these transactions, NWS will directly control NW and SR.

* Each share of NW Common Stock will be converted into one share of NWS Common Stock, and each share of SR Common

(Footnote continued on following page.)

As a result of the proposed transaction, NWS will also acquire indirect control through stock ownership of all subsidiaries of NW and Southern, including Southern Region Motor Transport, Inc. (SRMT), a motor carrier subsidiary of a wholly owned rail carrier subsidiary of Southern. An application under 49 U.S.C. §§11343 and 11345 for approval of control of SRMT by NWS (Docket No. MC-F 14484) is contained in Volume 7.

Applicants also seek authority under 49 U.S.C. §11343 to operate over one another's lines and those of other carriers, and for SR to acquire a portion of the lines of the Norfolk, Franklin & Danville Railway Company (NF&D), a subsidiary of NW. (See Vol. 4, Exh. A-17.)

- (2) The proposed time schedule for consummation of the proposed transaction.

Consummation of the proposed transaction will be initiated promptly after the effective date of a final order of the Commission authorizing the transaction.

(Footnote continued from previous page.)

Stock will be converted into 1.9 shares of NWS Common Stock. Authority for NWS to issue Common Stock is sought in Finance Docket No. 29430 (Sub-No. 6). See Vol. 8, infra. For a detailed description of the terms and manner of exchange, see Agreement of Merger and Reorganization, Exhibit 9.

- (3) The purposes sought to be accomplished by the proposed transaction, e.g., operating economies, elimination of excess facilities, extension of markets, improved financial viability.

The proposed transaction will bring together the complementary rail systems of NW and SR under the common direction and control of NWS. The unification of NW and SR will create an end-to-end single-system rail network connecting the East and Midwest regions with the growing markets of the Southeast. The NWS system will serve 21 states, the District of Columbia and the Province of Ontario, Canada. (See Vol. 4, Exhibit 8).

Creation of this single-system rail network will strengthen both intramodal and intermodal competition in the markets served by NWS. Unification will enhance the abilities of NW and SR to provide an effective competitive counterweight to the recently created CSX system. The proposed transaction will also help to alleviate the "gateway watershed" problem (see Verified Statement of Richard J. Barber, Vol. 1B),* thereby extending Applicants' individual access to markets and increasing the rail industry share of the overall transportation market. Consolidation will also lead

* See also Rail Services Planning Office, Rail Merger Study - Final Report at 32.

to increased traffic diversion from motor carriers to rail intermodal (TOFC) between major cities in the Midwest and Southeast. (See Verified Statement of Lester K. Kloss, Vol. 6B).

The combined NWS system will also enjoy improved market access to coal. The coal origins located on NW and SR's lines are largely complementary. The overwhelming preponderance of NW-originated coal is metallurgical coal while SR origins, which possess much smaller reserves than those of NW, primarily produce steam coals. Consolidation will create new single-system access for SR's steam coal origins to both domestic consumers and to major export facilities, most notably NW's major facility at Norfolk, Virginia. At the same time, the consolidated system will provide improved access for NW-originated metallurgical and steam coal to southeastern industries and utilities located on or near SR's lines. (See Vol. 1B, Verified Statement of Peter M. Cukor.) Moreover, the proposed utilization of coal hopper cars on a system-wide basis will enhance the ability of NW and SR to meet the equipment needs of their respective coal shippers. (See Vol. 4, Exh. A-17.)

A similar extension of market access will be created for grain produced at NWS origins in the Midwest. Consolidation will permit Applicants to offer efficient single-system service, at competitive rates, for movements of NW-originated

will
d grain to the grain-deficit states served by SR. (See Vol. 1A,
Verified Statement of John P. Duncan, Jr.)

d Consolidation of NW and SR under common control
d will also produce substantial operating efficiencies on mer-
d chandise traffic. Improved connections at a number of points
re- will permit additional run-through train service, and the
le consolidation of existing NW and SR facilities at Cincinnati,
St. Louis, Norfolk, and other points will expedite the inter-
change of traffic. Internal rerouting will further improve
s service and efficiency over the combined system. (See Vol. 4,
Exh. A-17.)

M. The car and locomotive fleets of NW and SR will be
managed for the benefit of the system as a whole, resulting
in more efficient utilization and reduction of empty movements.
Substantial cost savings will also be generated by consolida-
tion of various shop and repair functions, and through coor-
dinated use of maintenance-of-way equipment.

d The consolidation of NW and SR under common manage-
ment will improve the service capabilities and financial
viability of both carriers. It is anticipated that the pro-
posed transaction will produce net benefits of \$ 95.8 mil-
lion per year by the third year following consummation.
(See Exh. 20, infra) Achievement of these benefits will
enhance the ability of Applicants to meet the service

requirements of the shipping public, and will better enable them to face the challenges presented by changes in the regulatory environment.

(4) Nature and Amount of New Securities
or Other Financial Arrangements

As described more fully in the Agreement of Merger and Reorganization and related Plans of Merger (see Vol. 3, Exh. 9), NWRC, a Virginia corporation formed for the purpose of merger and owned by NWS Enterprises, Inc. will be merged into NW, and SRC, a Virginia corporation formed for the purpose of merger and owned by NWS, will be merged into Southern. At the time of merger, each issued share of NW Common Stock will be exchanged for one (1) share of NWS Common Stock, and rights to acquire shares of NW Common Stock upon conversion or exchange of other securities will be converted into rights to acquire the same number of shares of NWS Common Stock upon conversion or exchange of such securities. Each issued share of Southern Common Stock will be converted into 1.9 shares of NWS Common Stock. The outstanding shares of Southern \$2.60 Cumulative Preferred Stock, Series A, will remain unchanged as preferred stock of Southern. All outstanding shares of NWRC and SRC Common Stock, owned by NWS, will be converted into the aggregate number of outstanding shares of NW Common Stock and of SR Common Stock, respectively, and NW and Southern will surrender for cancellation the 1000 shares of NWS Common Stock currently owned by them. An application under

49 U.S.C. §11301 to permit issuance of NWS Common Stock as required to effectuate the consolidation is being filed simultaneously herewith in Finance Docket No. 29430 (Sub-No. 6) (see Vol. 8, infra). Additional details concerning the financial consideration involved in the proposed transaction may be found in the response to Section 1111.1(e)(i), infra.

- (5) A brief summary of the Applicants' public interest justification in support of the application.

The proposed transaction will substantially improve the quality of rail service available to shippers in the markets served by NW and SR. As described in Exhibit A-17 and the verified statements in support thereof, unification will enable the Applicants to offer single-system service over a 21 state area and will improve Applicants' ability to compete in a number of important transportation markets.

Specifically, consolidation of NW and SR under the common ownership of NWS will help to alleviate the gateway watershed problem now experienced by NW and SR, and will create new single-system service between major northeastern and midwestern cities and the growing markets of the Southeast. The unified NWS system will provide an effective competitive counterweight to the CSX system, which has now been created pursuant to Commission authorization in Finance Docket

No. 28905 (Sub-No. 1), CSX Corporation -- Control -- Chessie System, Inc. and Seaboard Coast Line Industries, Inc.,
Decision served September 25, 1980.

The proposed transaction will also create new markets for coal and grain originated on Applicants' lines (see Vol. 1B, Verified Statement of Peter M. Cukor; Vol. 1A, Verified Statement of John P. Duncan, Jr.), and will permit NW and SR to expand the availability of reliable intermodal train service (see Vol. 6B, Verified Statement of Lester K. Kloss). Consolidation will also produce substantial benefits for Applicants by making possible significant operating economies, more efficient utilization of equipment and other resources, and coordination of a number of operating and managerial functions. Realization of these benefits will strengthen Applicants' financial condition without any offsetting increase in their total fixed charges.

While there may be some minor short-term impacts on labor (see Vol. 4, Exhibit 10, infra), the proposed transaction will, overall, create additional job opportunities and security for employees by attracting new business and improving the financial viability of NW and SR. Affected employees will receive adequate protection pursuant to the provisions of Section 11347 of the Interstate Commerce Act (49 U.S.C. §11347).

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 The proposed transaction satisfies each of the criteria set forth at Section 11344(b) of the Act, which governs Commission consideration of rail consolidation proposals, is in accord with the Commission's general policy statement on railroad consolidations set forth at 363 I.C.C. 241 (1980), and should therefore be approved.

- (6) Any other supporting or descriptive statements which Applicants deem material.

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 Approval of the proposed transaction will substantially reduce energy consumption without creating any significant adverse environmental impacts. The operating efficiencies achieved by the unified NWS system will result in a savings of approximately 5 million gallons of diesel fuel annually. A detailed description of other environmental and energy impacts is set forth in Volume 5, Exhibits 12 and 13, infra.

SECTION 1111.1(b) - IDENTIFICATION OF APPLICANTS

- (1) Full and correct name of Applicants and the business address of Applicants:*

* By Order served October 1, 1980, the Commission granted Applicants' request that information required for "applicants" be submitted for SR on a consolidated system basis, and for NW and DH on a corporate entity basis except where data is regularly maintained for these companies and their subsidiaries on a consolidated basis. An alphabetical listing of the subsidiary companies of NW, SR and DH appears in the response to Sections 1111.1(c)(7) through (11), Appendix 2, infra.

NWS Enterprises, Inc. (NWS)
707 East Main Street
Richmond, Virginia 23212

Norfolk and Western Railway Company (NW)
8 North Jefferson Street
Roanoke, Virginia 24042

Southern Railway Company (Southern or SR)*
920 15th Street, N.W.
Washington, D.C. 20005

Delaware and Hudson Railway Company (DH)
40 Beaver Street
Albany, New York 12207

The abbreviations for Applicants set forth above shall be used throughout this application and the exhibits hereto.

- (2) Whether Applicants are individuals, firms, partnerships, corporations, companies, associations, joint stock companies, trustees, receivers, assignees, or other personal representatives, and trade or style, if any, under which each of the Applicants are doing business: _____

Each of the Applicants is a corporation, and each does business under its own name.

- (3) Whether Applicants are carriers subject to the Act: _____

NWS is not a carrier subject to the Interstate Commerce Act. All other Applicants listed in (1), supra,

* The abbreviation SR also encompasses SR's consolidated system companies.

are carriers by railroad subject to the Interstate Commerce Act.

- (4) State or states in which any part of the property of the Applicants involved is situated: _____

NWS does not currently own any property.

NW's rail properties are situated in the States of Illinois, Indiana, Iowa, Kentucky, Maryland, Michigan, Missouri, Nebraska, New York, North Carolina, Ohio, Pennsylvania, Virginia and West Virginia and in the Province of Ontario, Canada. NW also operates in Kansas pursuant to trackage rights.

SR's rail properties are situated in the States of Alabama, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Mississippi, North Carolina, Ohio, South Carolina, Tennessee and Virginia and in the District of Columbia.

DH's rail properties are located in the States of New York, Pennsylvania and Vermont. DH operates in New Jersey, Maryland and Virginia, and in the District of Columbia, pursuant to operating rights over the lines of Consolidated Rail Corporation.

- (5) The name, title, and business address of the persons to whom correspondence with respect to the application should be addressed:
-

John S. Shannon
Senior Vice President-Law
Norfolk and Western Railway Company
8 North Jefferson Street
Roanoke, Virginia 24042

R. Allan Wimbish
General Solicitor
Southern Railway Company
P.O. Box 1808
Washington, D.C. 20013

Richard J. Flynn
Sidley & Austin
1730 Pennsylvania Ave., N.W.
Washington, D.C. 20006

- (6) Whether Applicants or their subsidiaries are affiliated with a motor or water carrier subject to the act; also the following information with respect to rail, motor, or water operations, where applicable: the date of the certificate, permit, or temporary authority, and the number of the Commission's docket assigned to the application upon which such certificate, permit, or temporary authority was issued or granted; or if application to engage in interstate or foreign commerce has been made but is still pending, date of the application and the docket number:

NWS is not presently affiliated with any motor or water carriers subject to the Interstate Commerce Act, nor does NWS presently engage in rail, motor or water operations. By this application NWS is seeking Commission authorization under §11343 to acquire control of NW and SR.

Neither NW nor its subsidiaries are affiliated with any motor or water carrier subject to the Interstate Commerce Act.

SR's subsidiary Central of Georgia Railroad Company is affiliated through stock ownership with Southern Region Motor Transport, Inc. (SRMT), a motor common carrier subject to the Interstate Commerce Act. SRMT operates under certificate number MC-105632, issued June 18, 1963, and subnumbered certificates thereunder. Full information with respect to SRMT is on file with the Commission in Docket No. MC-105632. By application in Docket No. MC-F 14484, NWS seeks to acquire indirect control of SRMT. (See Vol. 7.) SR also owns Southern Region Coal Transport, Inc. (SRCT), an inactive water carrier which is not subject to the Act. Full information with respect to SRCT is on file with the Commission in Finance Docket No. 26310.

DH is not affiliated with a motor or water carrier.

NW and SR began operations as common carriers by railroad prior to enactment of the Transportation Act of 1920 and have been so engaged continuously since that time. Accordingly, NW and SR have not been required to procure from the Commission authorization to engage in interstate or foreign commerce. No applications for such authority have

been made except for applications filed from time to time seeking authorization to construct, acquire, or lease particular line segments.

By order of the Commission in Finance Docket No. 21510, DH is successor to the Delaware and Hudson Railroad Corporation, which began operations as a common carrier by railroad prior to enactment of the Transportation Act of 1920, and consequently does not hold an initial certificate authorizing it to engage in interstate or foreign commerce.

NW holds motor carrier operating rights under MC 42802, April 13, 1946, and MC 42802, Sub. 3, May 13, 1959.

SECTION 1111.1(c) - INFORMATION RESPECTING APPLICANTS

(1) If Applicants are corporations:

(i) Date of incorporation and Government,
State or territory of incorporation.

NWS was incorporated under the laws of the Commonwealth of Virginia on July 23, 1980.

NW was incorporated by an Act of the General Assembly of the Commonwealth of Virginia, approved January 15, 1896.

Southern was incorporated under the laws of the Commonwealth of Virginia on June 18, 1894.

DH was incorporated on June 7, 1968 under the laws of Delaware.

[Applicants' responses to Sections 1111.1(c)(1)(ii), (iii) and (iv) are set forth in Appendix 1 to this Volume.]

[Sections 1111.1(c)(2) - (5) are not applicable to any of the Applicants.]

- (6) If Applicants are not carriers, the type of business in which they are engaged, the length of time so engaged, and particulars of their present and prospective activities which have or may have a relation to transportation subject to the Act.

NWS was incorporated on July 23, 1980 with general business powers. Upon approval of the proposed transaction, NWS will acquire control of NW and SR, and until then its activities are related solely to that transaction.

All other Applicants are common carriers by railroad.

[Applicants' responses to Sections 1111.1(c)(7) through (11) are set forth in Appendix 2 to this Volume. Applicants' responses to Section 1111.1(c)(12) are set forth in Appendix 3 to this Volume.]

SECTION 1111.1(d) - INFORMATION RESPECTING
THE NATURE OF THE TRANSACTION PROPOSED AND
THE TERMS AND CONDITIONS THEREOF.

- (1) The nature of the transaction, e.g., merger, control, coordination project, trackage rights:

The proposed transaction involves the acquisition of control through stock ownership of Norfolk and Western Railway Company and its subsidiary companies, and of Southern Railway Company and its consolidated system companies, by NWS Enterprises, Inc., a newly-incorporated non-carrier holding company. Such control will be obtained by merging Norfolk and Western Railroad Company of Virginia (NWRC) and Southern Railroad Company of Virginia (SRC), both formed for purposes of merger and owned by NWS, into NW and SR respectively. Following these mergers, all issued shares of NW and SR Common Stock will be converted into shares of NWS Common Stock.

- (2) Briefly, the terms and conditions of the contract or agreement pursuant to which the proposed transaction is to be effected, including the manner in which it is proposed to consummate the transaction and the consideration, in money or otherwise, to be paid by Applicants.

NWS, NWRC, SRC, NW and Southern are parties to an Agreement of Merger and Reorganization dated as of July 31,

1980 (see Vol. 3, Exh. 9). The Agreement provides for the merger of NWRC into NW and of SRC into Southern. At the time of these mergers, each issued share of NW Common Stock will be converted into one share of NWS Common Stock, and each issued share of SR Common Stock will be converted into 1.9 shares of NWS Common Stock.* (See Plans of Merger, Exhibits B and C to Agreement of Merger and Reorganization Vol. 3, Exh. 9). The Agreement also imposes certain restrictions upon the conduct of business by NW and SR during the period preceding the Merger Date.

The obligations of NW and Southern under the Agreement are subject to a number of conditions precedent, including but not limited to Commission approval, opinions of counsel, certain federal income tax rulings and the absence of material adverse change to the consolidated business or financial conditions or properties of NW or SR. The Agreement may be terminated by mutual consent of the Boards of Directors of NW and Southern or, under certain circumstances, unilaterally by the Directors of either NW or Southern.

* The outstanding shares of \$2.60 Cumulative Preferred Stock, Series A, of Southern will remain outstanding without change or modification in any manner as shares of Southern.

- (3) Governmental financial assistance involved in the transaction.

No governmental financial assistance is involved in this transaction.

- (4) Financial or other relationships, direct or indirect, not disclosed in prior responses, existing at the present time between Applicants and other parties and affiliates involved in the proposed transaction.

There are no financial or other relationships, direct or indirect, between Applicants or any of their affiliates not previously disclosed in responses in this application.

- (5) Route, termini, mileage (main and branch), and principal points of interchange for all involved lines.

NWS currently holds no rail properties.

NW operates in 15 states and the Province of Ontario, Canada, with a system comprising 7,454 miles, of which 5,575 miles are main line and 1,879 miles are branch line.

The principal lines of NW are as follows:

Norfolk, Va. - Roanoke, Va. - Portsmouth, Oh. -
Bellevue, Oh.;

Portsmouth, Oh. - Cincinnati, Oh. - Muncie, Ind. -
Frankfort, Ind. - Decatur, Ill.;

Hagerstown, Md. - Roanoke, Va. - Winston-Salem, N.C.;

Buffalo, N.Y. - Cleveland, Oh. - Bellevue, Oh. -
Ft. Wayne, Ind. - Chicago, Ill.;

Hagerstown, Md. - Connellsville, Pa. - Pittsburgh,
Pa. - Brewster, Pa. - Bellevue, Oh. - Toledo,
Oh. - Detroit, Mich.;

Detroit, Mich. - Ft. Wayne, Ind. - Decatur, Ill. -
St. Louis, Mo.;

Chicago, Ill. - Decatur, Ill. - St. Louis, Mo.;

Decatur, Ill. - Hannibal, Mo. - Kansas City, Mo.;

St. Louis, Mo. - Moberly, Mo. - Kansas City, Mo.;

Bellevue, Oh. - Cincinnati, Oh. - Muncie, Ind.

Principal points of interchange on NW include:
Chicago, Danville, Decatur, E. St. Louis, Peoria, Quincy,
and Tolono, Ill.; Ft. Wayne, Indianapolis, Lafayette,
Logansport, and Van Loon, Ind.; Des Moines, Iowa; Hagers-
town, Md.; Detroit, Mich.; Kansas City and St. Louis, Mo.;

Buffalo, N.Y.; Durham and Winston-Salem, N.C.; Ashtabula,
Canton, Cincinnati, Cleveland, Columbus, Delta, Fostoria,
Glen Jean, Lima, Marion, South Lorain, Spencer, and Toledo,
Ohio; Connellsville, Mifflin Jct., and Wallace Jct., Pa.;

Altavista, Bristol, Glasgow, Lynchburg, Norfolk, Norton,
Petersburg, St. Paul, Suffolk, and Waynesboro, Va.; Kenova
and Shenandoah Jct., W.Va.

SR and its system lines operate in 13 states and the District of Columbia. Mileage operated totals 10,215 miles (373 miles of jointly-used track excluded), 5,523 miles of which are classified as main line, 2,006 miles of which are branch line, and 3,059 miles of which are operated but not owned.

Principal Southern system routes are as follows:

Alexandria, Va. - Atlanta, Ga. - Birmingham, Ala. -
New Orleans, La.;

Cincinnati, Ohio - Atlanta, Ga. - Macon, Ga. -
Jacksonville, Fla.;

Birmingham, Ala. - Sheffield, Ala. - Memphis, Tenn.;

Birmingham, Ala. - Chattanooga, Tenn. - Knoxville,
Tenn. - Asheville, N.C. - Salisbury, N.C.;

Danville, Ky. - Louisville, Ky. - E. St. Louis, Ill.;

Bulls Gap, Va. - Knoxville, Tenn.;

Birmingham, Ala. - Columbus, Ga. - Albany, Ga. -
Valdosta, Ga.

Principal interchange points on Southern include:

Birmingham, Dothan, Ensley, Mobile, and Montgomery, Ala.;

Jacksonville, Fla; Albany, Atlanta, Augusta, Hilton, Savannah,
Tennile, and Valdosta, Ga.; Centralia, East St. Louis, and
Mt. Vernon, Ill.; Oakland City and Princeton, Ind.; Lexington
and Louisville, Ky.; New Orleans, La.; Columbus, Corinth,
Hattiesburg, and Meridian, Miss.; Charlotte, Marion, Morehead
City, and Winston-Salem, N.C.; Cincinnati, Ohio; Columbia

and Spartanburg, S.C.; Bristol, Chattanooga, Frisco, Knoxville, and Memphis, Tenn.; Altavista, Lynchburg, Norfolk, Norton, Potomac Yard, and Richmond, Va.

The rail properties of DH are not involved in the proposed transaction.

- (6) Whether the property involved in the proposed transaction includes all the property of the Applicants and, if not, describe what property is included in the proposed transaction.

NWS currently owns no rail properties. The proposed transaction involves all of the properties of NW and SR. The properties of DH are not involved in the transaction proposed herein.

- (7) Value of each of the properties involved in the proposed transaction as found by the Commission or if such value has not been found by the Commission, then the fair market value of the properties as independently appraised for the purposes of the proposed transaction; and, separately, the net cost of additions and betterments made after the date of valuation and appraisal.

NWS currently owns no rail properties. The properties of DH are not involved in the proposed transaction. The value of the rail properties of NW and SR as found by the Commission, and the value of additions and betterments made thereto as of December 31, 1979, are as follows:

<u>Carrier</u>	<u>Value of Properties as Found by ICC</u>	<u>Additions and Betterments</u>	<u>Total*</u>
NW	616,414,221	2,415,865,724	3,032,279,945
SR	547,033,587	2,585,286,499	3,132,320,086

- (8) Policy and practice of Applicants with respect to reserves for depreciation and similar reserves.

NWS currently transacts no business and consequently has established no reserves for depreciation or similar reserves to this date.

The policy and practice of NW, SR and DH with respect to reserves for depreciation is to accrue depreciation in accordance with accounting rules prescribed by the Commission. SR also accrues reserves for overcharge claims, loss and damage claims, and other potential liabilities on the basis of periodic estimates of liability for each cate-

* Included within the total value of SR and NW properties is that track over which interroad train service will be operated. Values for that trackage are: Roanoke to Lynchburg (NW) - \$3,589,321; Roanoke to Altavista (NW) - \$3,748,117; Lynchburg to Potomac Yard (SR) - \$29,051,741; Altavista to Spencer Yard (SR) - \$18,354,003; Lynchburg to Spencer Yard (SR) - \$22,069,216. Values of trackage over which NW and SR will operate pursuant to trackage rights are shown in the Trackage Rights Agreement (Vol. 3, Exh. 9), with the exception of that track of the Chesapeake and Ohio Railroad Company between Muncie and Peru, Indiana, over which NW will obtain trackage rights, which is valued at \$31,487,322. The value of track and appurtenant facilities between Danville, Virginia and Blanche, North Carolina, to be acquired by SR is \$115,427.

gory. Rates by classes of property for NW are set forth in Schedule 350 to NW's R-1 Annual Report to the Commission for 1979. Such rates for SR are contained in Schedules 350 and 351 to SR's R-1 Annual Report for 1979. Rates by classes of property for DH are set forth in Schedules 332, 335, 340 and 342 to DH's R-1 Annual Report for 1979.

- (9) The market value of any securities acquired or proposed to be acquired in consummating the proposed transaction; or, if there be no ascertainable market value, the estimated value, giving the basis of the estimate.

As described more fully in the Agreement of Merger and Reorganization (see Vol. 3, Exh. 9, infra) and the Application for Authority to Issue Securities (Vol. 8), NWS will acquire stock control of NW and Southern, and each issued share of NW Common Stock will be converted into 1 share of NWS Common Stock, and each issued share of SR Common Stock will be converted into 1.9 shares of NWS Common Stock.

As of September 18, 1980, the record date for determining stockholder eligibility to vote on the proposed transaction, there were 31,600,666 shares of NW Common Stock, and 16,560,003 shares of Southern Common Stock outstanding. Based on that number of shares and the market value of NW Common Stock as of that date, and a value of SR shares equal to 1.9 times the market value of NW shares, the valuation of securities proposed to be acquired by NWS in consummating the

proposed transaction was \$2,869,442,562 as of September 18, 1980.

(10) If any of the property covered by the application is encumbered and Applicants have agreed to assume obligation or liability in respect thereof:

(i) A description of the property encumbered.

(ii) Amount of encumbrance and full description thereof, including maturity, interest rate, and other terms and conditions.

(iii) Amount of encumbrance assumed or to be assumed by Applicants.

There will be no assumption or transfer of obligation or liability with respect to encumbrances on the properties of any of the Applicants as a result of the proposed transaction.

(11) If a consolidation or merger is proposed:

(i) The name of the company resulting from the consolidation or merger, and the State or territory under the laws of which the consolidated company is to be formed or the merged company is to file its certificate of amendment.

As a result of the proposed transaction, NWS Enterprises, Inc., will acquire control through stock ownership of NW and Southern, which will continue their separate corporate existences. On July 23, 1980, NWS was incorporated under the laws of the Commonwealth of Virginia.

- (ii) The capitalization proposed for the company resulting from the consolidation or merger, and, separately, the amount and character of capital stock and other securities to be issued.

Upon consummation of the proposed transaction, NWS will issue one share of Common Stock, with a par value of \$1.00, for each share of NW Common Stock issued as of the Merger Date, and 1.9 shares of Common Stock, with a par value of \$1.00, for each share of SR Common Stock issued as of the Merger Date. A table setting forth the consolidated capitalization of NW and SR as of June 30, 1980 and the pro forma capitalization of NWS which gives effect to the proposed transaction is contained at Volume 8, Appendix 1.

SECTION 1111.1(e) - ARGUMENTS IN SUPPORT OF THE PROPOSED TRANSACTION, WITH PARTICULAR REGARD TO:

- (1) The financial consideration involved in the proposed transaction, including an explanation of economies, if any, to be effected in operations, and increase, if any, in traffic, revenues, earnings available for fixed charges, and net earnings, expected to result from the consummation of the proposed transaction.

A detailed description of economies to be effected in operations, and an explanation of anticipated increases in traffic, revenues and net earnings are set forth in Exhibits A-16, A-17 and 20, respectively.* Exhibit 20 contains a sum-

* See also Vol. 1, Executive Summary at Sections III through V.

mary Statement of Benefits for the first, second and third years following consummation of the proposed transaction. As shown therein, the net annual benefits by the third year after consummation will be \$95.8 million per year.

- (2) The effect of the proposed transaction upon adequate rail and other transportation services to the public.

The regions served by the proposed NWS system have undergone significant demographic and economic changes which have generated demand for improved interregional transportation service. Shippers have demonstrated an overwhelming preference for single-system service, which reduces transit time, improves equipment utilization and distribution and focuses responsibility for entire movements on a single carrier. The "Balkanized" structure of the nation's railroads at the present time requires Applicants and other carriers to interline the majority of the traffic handled by them.

The proposed transaction will combine NW's extensive coverage of the Northeast and Midwest with SR's access to major southeastern markets, improving both service reliability and competition on movements between those regions. The combined NWS system will also provide an effective competitive counterweight to the recently created CSX rail system, and will enhance Applicants' ability to compete for traffic currently moving by other modes, particularly motor carriers.

Applicants' Operating Plan (Vol. 4, Exh. A-17) sets forth a number of interrelated changes and improvements that NWS will make in order to provide more efficient, economical and reliable service. The establishment of five new principal routes -- the Altavista Gateway Route, the Lynchburg-Knoxville Cutoff Route, the Mid South Corridor Route, the Kansas City Gateway Route and the Shenandoah Corridor Route -- will substantially reduce circuitry and running time between many points on the NWS system.* All traffic will be routed via the most efficient system route. Together with implementation of run-through and interroad train service, the proposed new routes will generate savings of \$20 million annually** and will reduce the rail system's fuel consumption by more than 5 million gallons per year.***

Additional service improvements will result from consolidation of NW and SR facilities and operations at 10 common points served by the two carriers. Terminal and yard operations, as well as local service, will be concentrated at one facility, reducing delays currently caused by interchange activities. The retirement of duplicative terminal facilities will, in certain instances, reduce the system's operating costs as well.****

* The benefits generated by the creation of each of these new routes are described in detail at Vol. 4, Exh. A-17, Section IIA.

** See Vol. 4, Exh. A-17 at 46; Vol. 1, p. 15, Note 4.

*** See Vol. 5, Exh. 12.

**** See Vol. 4, Exh. A-17, Section II I.

In order to enhance the NWS system's ability to attract traffic from motor carriers to rail intermodal service, NW will construct a major terminal facility at NW's Landers Yard in Chicago. Dedicated intermodal train service will also be instituted between Chicago and points in the Southeast.* A substantial potential for diversions from motor carriers has been identified,** and Applicants are firmly committed to the development of profitable intermodal traffic.

A number of significant improvements will be made at other points on both NW's and SR's lines, and new connections will be constructed at several locations (see related applications at Vol. 7 infra), at a total cost of approximately \$32 million. In addition, the proposed connection of the communications systems of NW and SR will improve car tracing throughout the NWS system.*** Common policies with respect to equipment utilization will be implemented in order to enhance the ability of NW and SR to meet the car requirements of their customers, and to improve overall efficiency by reducing empty hauls. While each carrier will retain control

* Intermodal traffic originating in Detroit will be added to the proposed dedicated trains at Fort Wayne, Indiana, for movement to destination.

** See Vol. 6B.

*** See Vol. 4, Exh. A-17, Section H.

over the day-to-day use of its equipment, all cars will be deployed for the benefit of the system as a whole. Further savings will be generated by system-wide coordination of shop and repair facilities, and by utilization of the excess capacity of NW's Roanoke Car Shops to meet SR's requirements for open top hoppers, covered hoppers and gondolas.*

These improvements and coordinations and the resulting efficiencies and enhanced capabilities would not be possible but for the proposed consolidation.** In almost all cases, the changes planned would not provide sufficient operating and financial benefits to NW or SR individually to justify their adoption. Moreover, each carrier's interest in preserving its corporate long-haul, both to maximize its revenues and to maintain control over service for the greatest possible portion of the movement, would create a strong disincentive for either carrier to agree to the reroute traffic over the most efficient system lines. Consolidation will eliminate these obstacles to achievement of operating efficiencies, and the combined financial strengths of NW and SR will place NWS in a strong position to make the major capital investments necessary to meet the future requirements of the shipping public.

* See Vol. 4, Exh. A-17, Sections C, E.

** See, e.g., Vol. 1A, Verified Statements of Robert B. Claytor; Vol. 4A, Verified Statement of Louis M. Newton.

- (3) The effect upon the public interest of the increase, if any, in total fixed charges resulting from the proposed transaction.

There will be no increase in total fixed charges resulting from the proposed transaction.

- (4) The effect upon the public interest of any guaranty or assumption of payment of dividends or fixed charges contemplated in the proposed transaction.

No guaranty or assumption of payment of dividends or fixed charges is contemplated by the proposed transaction.

- (5) The effect upon the interest of carrier employees resulting from the proposed transaction.

The proposed transaction will have an overall positive effect upon Applicants' employees. Realization of the anticipated benefits of consolidation will strengthen the financial viability of NW and SR and will enable Applicants to attract additional traffic to the NWS system. These consequences of unification will contribute to job security. Affiliation will result in an estimated net increase of 79 positions for Applicants.

As described more fully in Exhibit 10, infra, there will be some minor short-term negative effects on

labor. However, adversely affected employees will be adequately protected pursuant to the provisions of Section 11347 of the Interstate Commerce Act, 49 U.S.C. §11347.

- (6) The effect upon the public interest of the inclusion, or the failure to include, other railroads in the territory involved in a proposed transaction under Section 5(2) of the Act.

The public interest would not be served by the forced inclusion of any other railroad in the proposed transaction.

The proposed transaction will result in the loss of some freight revenues by other carriers. (See Vol. 6, Exhibit A-16, infra). However, these revenue losses will be accompanied by offsetting cost reductions; therefore, the actual impact on affected carriers will be significantly less than their gross revenue losses. In no case will anticipated losses threaten essential rail services.

In its revised General Policy Statement issued in Ex Parte No. 282 (Sub-No. 6), Railroad Consolidation Procedures, 363 I.C.C. 241 (1980), the Commission stated that

"[it] will only consider requiring inclusion of another carrier as a condition to approval where there is no other reasonable alternative for providing essential services, the facilities fit operationally into the new system, and inclusion can be accomplished without endangering the operational or financial success of the new company." Id. at 245.

As the Commission recently recognized, "inclusion is an extreme measure," Norfolk and Western Ry. Co., and New York, Chicago & St. Louis R. Co. -- Merger, 363 I.C.C. 270, 281 (1980), and should be granted only where all of the foregoing criteria have clearly been satisfied. Inclusion of any other carrier in the proposed transaction would dilute the financial strength of the new system and would thus deprive both Applicants and the public of the full benefits available from the proposed transaction.

CONCLUSION

Applicants respectfully submit that the transactions proposed herein are in full accordance both with the statutory criteria set forth in the Interstate Commerce Act (49 U.S.C. §§11343-11347) and with the Commission's general policy statement on railroad consolidations in Ex Parte No. 282 (Sub-No. 6), Railroad Consolidation Procedures, 363 I.C.C. 241 (1980). Therefore, Applicants respectfully request that the Commission make the following findings with respect thereto:

In Finance Docket No. 29430 (Sub-No. 1), that the following transactions are within the scope of 49 U.S.C. §11343; are consistent with the public interest; reflect terms and conditions which are just and reasonable; will not adversely affect but enhance the adequacy of transportation to the public; will not adversely affect the

public interest as a result of the failure to include other railroads in the area; will not result in the guarantee or assumption of payment of dividends or fixed charges, or in any significant increase in total fixed charges; will not result in any adverse effects on the interests of affected carrier employees which will not be adequately protected by imposition of appropriate conditions; and will have no adverse impact upon, but rather will enhance competition among rail carriers in the affected region:

1) acquisition by NWS Enterprises, Inc., of control of Norfolk and Western Railway Company and its carrier subsidiaries, and of Southern Railway Company and its consolidated system companies through acquisition of stock in a merger of Norfolk and Western Railroad Company of Virginia into Norfolk and Western Railway Company, and merger of Southern Railroad Company of Virginia into Southern Railway Company;

2) acquisition by Southern Railway Company of the tracks and facilities of Norfolk, Franklin and Danville Railway Company between Blanche, North Carolina, and Danville, Virginia, pursuant to the terms of an agreement set forth at Vol. 3, Exhibit 9;

3) acquisition by Norfolk and Western Railway Company and Southern Railway Company and its consolidated system

companies of trackage rights over each other's lines and conduct of interroad train operations as specified in the "Trackage Rights Agreement" and agreement governing interroad train operations set forth at Vol. 3, Exh. 9;

4) acquisition by Southern Railway Company of trackage rights over the Terminal Railroad Association of St. Louis, pursuant to the terms of a proposed agreement between those parties set forth at Vol. 3, Exh. 9;

5) acquisition by Norfolk and Western Railway Company of trackage rights over The Chesapeake and Ohio Railway Company between Muncie and Peru, Indiana, pursuant to the terms of an agreement between those parties set forth at Vol. 3, Exh. 9.

In Finance Docket No. 29430 (Sub-No. 6), that the proposed issuance of securities and assumption of liabilities with respect thereto (a) is consistent with the proper performance of public transportation by the carriers to be controlled by NWS Enterprises, Inc.; (b) will not impair

the ability of the controlled carriers to provide public transportation; and (c) is consistent with the public interest in other respects.

In Finance Docket No. 29430 (Sub-Nos. 2, 3, 4, and 5), that the present and future public convenience and necessity require and will be enhanced by the proposed constructions and operations.

In Docket No. AB-10 (Sub-No. 23F) and Docket No. AB-216 (Sub-No. 1), that the proposed abandonments will not have a serious adverse impact on rural and community development; that operation of the involved rail properties will no longer be required in order to provide adequate rail service; that the interests of carrier employees will be protected by appropriate conditions; and that the present and future public convenience and necessity permit the proposed abandonments.

In Motor Carrier Finance Docket No. MC-F-14484, that acquisition by NWS Enterprises, Inc. of indirect control of Southern Region Motor Transport, Inc. through control of Central of Georgia Railroad Company, a wholly-owned subsidiary of Southern Railway Company, is consistent with the public interest and will enable the NWS system to use motor carrier transportation to the public advantage in its operations and will not unreasonably restrain competition.

WHEREFORE, NWS Enterprises, Inc., Norfolk and Western Railway Company, Southern Railway Company, and Norfolk, Franklin and Danville Railway Company pray that the Commission enter an order approving and authorizing the transactions proposed herein.

Norfolk and Western
Railway Company

By Robert B. Claytor
Robert B. Claytor
President

Southern Railway Company

By Harold H. Hall
Harold H. Hall
President and Chief Executive
Officer

Norfolk, Franklin and
Danville Railway Company

By Donald E. Middleton
Donald E. Middleton
Secretary

NWS Enterprises, Inc.

By Donald E. Middleton
Donald E. Middleton
Chairman of the Board and
Secretary

COMMONWEALTH OF VIRGINIA)
) ss:
CITY OF ROANOKE)

Donald E. Middleton, being duly sworn, deposes and says
that he is Chairman of the Board and Secretary of NWS Enterprises,
Inc. (NWS), applicant herein; that he has been duly authorized and
designated by NWS to sign, verify, and file the foregoing document
and exhibits with the Interstate Commerce Commission; that he has
carefully examined all of the statements contained in said docu-
ment and the exhibits attached thereto and made a part thereof;
that he has knowledge of the matters set forth therein insofar as
those matters relate to NWS; and that all such statements made and
matters set forth therein with respect to NWS are true and correct
to the best of his knowledge, information and belief.

Donald E. Middleton
Donald E. Middleton

Subscribed and sworn to before me
this 1st day of December, 1980.

James B. Davis
Notary Public

commission expires: April 8, 1983

[AL]

CERTIFICATE

COMMONWEALTH OF VIRGINIA)
) ss:
CITY OF ROANOKE)

I, Joseph Pakush, am Assistant Secretary of NWS Enterprises, Inc., and hereby certify that Donald E. Middleton is Chairman of the Board and Secretary of NWS Enterprises, Inc. and duly authorized to verify and file the attached application in behalf of NWS Enterprises, Inc.



Joseph Pakush

Subscribed and sworn to before me
this 1st day of December, 1980.



Notary Public

My commission expires: *April 8, 1983*

[SEAL]

COMMONWEALTH OF VIRGINIA)
) ss:
CITY OF ROANOKE)

Robert B. Claytor, being duly sworn, deposes and says
that he is President of Norfolk and Western Railway Company (NW),
applicant herein; that he has been duly authorized and designated
by NW to sign, verify, and file the foregoing document and exhibits
with the Interstate Commerce Commission; that he has carefully
examined all of the statements contained in said document and the
exhibits attached thereto and made a part thereof; that he has
knowledge of the matters set forth therein insofar as those mat-
ters relate to NW; and that all such statements made and matters
set forth therein with respect to NW are true and correct to the
best of his knowledge, information and belief.

Robert B. Claytor
Robert B. Claytor

Subscribed and sworn to before me
this 1st day of December, 1980.

Jeannie B. Davis
Notary Public

My commission expires: April 8, 1983

[SEAL]

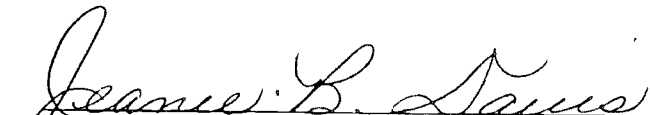
CERTIFICATE

COMMONWEALTH OF VIRGINIA)
) ss:
CITY OF ROANOKE)


I, Donald E. Middleton, am Secretary of Norfolk and Western Railway Company and hereby certify that Robert B. Claytor is President of Norfolk and Western Railway Company and duly authorized to verify and file the attached application in behalf of Norfolk and Western Railway Company.


Donald E. Middleton

Subscribed and sworn to before me
this 1st day of December, 1980.


Notary Public

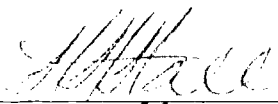
My commission expires:



[SEAL]

DISTRICT OF COLUMBIA: ss

H. H. Hall, being duly sworn, deposes and says that he is President of Southern Railway Company (Southern), applicant herein; that he has been duly authorized and designated by Southern to sign, verify, and file the foregoing document and exhibits with the Interstate Commerce Commission; that he has carefully examined all of the statements contained in said document and the exhibits attached thereto and made a part thereof; that he has knowledge of the matters set forth therein insofar as those matters relate to Southern; and that all such statements made and matters set forth therein with respect to Southern are true and correct to the best of his knowledge, information and belief.


H. H. Hall

Subscribed and sworn to before me
this 28th day of November, 1980.


Notary Public

My commission expires: June 14, 1983

(SEAL)

PHILIP J. CAFFEY
NOTARY PUBLIC
IN AND FOR THE DISTRICT OF COLUMBIA
MY COMMISSION EXPIRES JUNE 14, 1983


CERTIFICATE

DISTRICT OF COLUMBIA: ss

I, Milton M. Davenport, am Secretary of Southern Railway Company and hereby certify that H. H. Hall is President of Southern Railway Company and duly authorized to verify and file the attached application in behalf of Southern Railway Company.


Milton M. Davenport

Subscribed and sworn to before me
this 28th day of November, 1980.


Notary Public

My commission expires: June 14, 1983

(SEAL)

PHILIP J. CAFFEY,
NOTARY PUBLIC
DISTRICT OF COLUMBIA
MY COMM. EXPIRES JUNE 14, 1983

COMMONWEALTH OF VIRGINIA)

) ss:

CITY OF ROANOKE)

Donald E. Middleton, being duly sworn, deposes and says that he is Secretary of Norfolk, Franklin and Danville Railway Company (NF&D), applicant herein; that he has been duly authorized and designated by NF&D to sign, verify, and file with the Interstate Commerce Commission the foregoing document and exhibits with respect to the acquisition by Southern Railway Company of certain properties of NF&D; that he has carefully examined all of the statements contained in said document and the exhibits attached thereto and made a part thereof; that he has knowledge of the matters set forth therein insofar as those matters relate to NF&D; and that all such statements made and matters set forth therein with respect to NF&D are true and correct to the best of his knowledge, information and belief.

Donald E. Middleton
Donald E. Middleton

Subscribed and sworn to before me

this 1st day of December, 1980.

Jeane B. Davis
Notary Public

My commission expires: April 8, 1983

[SEAL]

CERTIFICATE

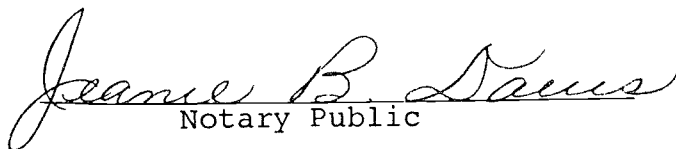
COMMONWEALTH OF VIRGINIA)
) ss:
CITY OF ROANOKE)

I, Joseph Pakush, am Assistant Secretary of Norfolk, Franklin and Danville Railway Company and hereby certify that Donald E. Middleton is Secretary of Norfolk, Franklin and Danville Railway Company and duly authorized to verify and file the attached application in behalf of Norfolk, Franklin and Danville Railway Company.



Joseph Pakush

Subscribed and sworn to before me
this 1st day of December, 1980.



Notary Public

My commission expires: *April 8, 1983*

[SEAL]

NWS Exhibit A-18(i)

SECTION 1111.2(b)(5) - AS EXHIBIT A-18, GENERAL
BALANCE SHEETS, AS APPROPRIATE, OF THE FOLLOWING:

[By Order served October 1, 1980, the Commission granted Applicants' request for waiver to file balance sheets for NW, SR and DH each on a consolidated system basis rather than the corporate entity basis required by Sections 1111.2(b)(5)(ii)-(v). Therefore, Applicants submit responses only to Sections 1111.2(b)(5)(i) and (vi).]

(i) Transferee on a corporate entity basis.

NWS ENTERPRISES, INC.

BALANCE SHEET

June 30, 1980

Assets

Cash \$1,000

Liabilities and Shareowners' Equity

Common stock, par value \$1 per share;
authorized, issued and outstanding
1,000 shares \$1,000

Note: This company has had no income or expenses;
therefore, no statements of earnings are
submitted.

NW Exhibit A-18(vi)

Page 1 of 1

(vi) Transferor and subsidiaries on a consolidated basis.

NORFOLK AND WESTERN RAILWAY COMPANY AND SUBSIDIARIES
 CONSOLIDATED BALANCE SHEET
 (Thousands of Dollars)
 June 30, 1980

ASSETS

Current assets:

Cash and temporary cash investments	\$ 247,823
Accounts receivable	205,039
Materials and supplies	74,608
Other current assets	12,327
Deferred income tax benefits	13,137
Total current assets	<u>552,934</u>

Investments:

Equity in and advances to affiliates	12,463
Other, at cost	43,275
	<u>55,738</u>

Properties

Less accumulated depreciation	3,101,159
Properties - net	<u>(996,157)</u>
	<u>2,105,002</u>

Other assets

Total assets	103,556
	<u>\$2,817,230</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Accounts and wages payable	\$ 186,970
Taxes accrued	47,989
Other current liabilities	57,702
Current maturities and long-term debt	53,720
Total current liabilities	<u>346,381</u>

Long-term debt, less current maturities

Other liabilities and deferred credits	486,383
Minority interest in subsidiaries	90,296
	39,280
	<u>615,959</u>

Deferred income taxes

402,201

Stockholders' equity:

Common stock of \$8.33 1/3 par value per share.

Authorized 60,000,000 shares; issued 33,669,252 280,577

Stock liability for conversion 443

Other capital 130,585

Excess at acquisition of net assets of consolidated subsidiaries over cost 41,091

Retained income 1,103,221

1,555,917

Less cost of 2,400,888 shares of stock in treasury (103,228)

Total stockholders' equity 1,452,689

Total liabilities and stockholders' equity \$2,817,230

SR Exhibit A-18(vi)

Page 1 of 3

SOUTHERN RAILWAY COMPANY AND CONSOLIDATED SUBSIDIARIES
BALANCE SHEET AS OF JUNE 30, 1980
(Thousands of Dollars)

ASSETS

CURRENT ASSETS

323	Cash		\$ 13,860
339	Working funds		310
508	Temporary cash investments		176,787
327	Special deposits		37
137	Loans and notes receivable	\$ 1,709	
934	Accounts receivable - interline and other balances	6,798	
	Accounts receivable - customers	63,667	
463	Accounts receivable - other	21,004	
275	Interest and dividends receivable	2,608	
738	Receivables from affiliated companies	775	
	Accrued accounts receivable	117,238	
159	Less: Allowance for uncollectible accounts	(2,467)	
157)	Net receivables		211,332
002	Prepayments		1,635
556	Materials and supplies		111,809
230	Other current assets		1
	Total current assets		515,771

SPECIAL FUNDS

970	Sinking funds		35
989	Capital funds		14,337
702	Other funds		2,920
720	Total special funds		17,292
381			

TANGIBLE PROPERTY

383	Road and equipment property		3,062,163
296	Less: Accumulated depreciation road and equipment property		(899,170)
280	Accumulated amortization - road and equipment defense projects		(3,800)
959	Net road and equipment property		2,159,193
201	Improvements on leased property		192,012
	Less: Accumulated depreciation - improvements on leased property		25,752
577	Net improvements on leased property		166,260
443	Total carrier property		2,325,453
585	Property used in other than carrier operations		102,010
	Less: Accumulated depreciation - Property used in other than carrier operations		(14,705)
091	Net property used in other than carrier operations		87,305
221	Total tangible property		2,412,758
917			
228)			
689			
230			

SR Exhibit A-18(vi)
Page 2 of 3

OTHER ASSETS AND DEFERRED DEBITS

Other Assets	562
Other deferred debits	11,087
Total other assets and deferred debits	<u>11,649</u>

TOTAL ASSETS

\$2,971,638

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Loans and notes payable	\$	1,985
Accounts payable - Interline and other balances		3,924
Audited accounts and wages payable		15,969
Accounts payable - other		8,788
Interest payable		19,850
Dividends payable		163
Accrued accounts payable		160,200
Federal income taxes accrued		23,413
State and other income taxes accrued		2,339
Other taxes accrued		28,382
Other current liabilities		45,131
Equipment obligations and other long-term debt due within one year		<u>78,424</u>
Total current liabilities		<u>388,568</u>

LONG-TERM DEBT DUE AFTER ONE YEAR

	Total issued	Held by or for Company	
Funded debt unmatured	\$281,355	\$49,961	231,394
Equipment obligations	582,734	None	582,734
Capitalized lease obligations			20,524
Unamortized debt discount			(1,389)
Unamortized premium on debt			82
Total long-term debt due after one year			<u>833,345</u>

OTHER LONG-TERM OBLIGATIONS

Other liabilities	25,126
Accrued liability; leased property	5,067
Accrued liability; casualty and other claims	19,786
Other accrued liabilities	<u>10,759</u>
Total other long-term liabilities	<u>60,738</u>

DEFERRED CREDITS

Other deferred credits	4,060
Accumulated deferred income tax credits	<u>393,037</u>
Total deferred credits	<u>397,097</u>

SHAREHOLDERS' EQUITY

	Total issued	Held by or for Company	
Capital stock (Par or stated value): Capital stock issued	\$225,324	\$16,618	<u>208,706</u>

SR Exhibit A-18(vi)

Page 3 of 3

ADDITIONAL CAPITAL

Premium and assessments on capital stock	41,708
Other capital	<u>15,611</u>
Total additional capital	<u>57,319</u>

RETAINED EARNINGS

Retained earnings - appropriated	45,052
Retained earnings - unappropriated	<u>980,813</u>
Total retained income	<u>1,025,865</u>
Total shareholders' equity	<u>1,291,890</u>

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$2,971,638</u>
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DH Exhibit A-18(vi)
Page 1 of 1

DELAWARE AND HUDSON RAILWAY COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
June 30, 1980

	<u>1980</u>
ASSETS	
Current Assets:	
Cash and Temporary Cash Investments	\$ 2,498,598
Special Deposits	563,842
Accounts Receivable	27,080,445
Material and Supplies	5,894,338
Other Current Assets	1,854,813
Total Current Assets	<u>37,892,036</u>
Investments in Affiliates and	
Other Companies	1,198,639
Properties, less Accumulated Depreciation	74,020,034
Other Assets	1,904,318
Total Assets	<u>\$115,015,027</u>
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current Liabilities:	
Accounts and Wages Payable	\$ 39,306,127
Taxes Accrued	1,313,209
Other Current Liabilities	2,219,679
Current Maturities of Long-Term Debt	3,822,949
Total Current Liabilities	<u>46,661,964</u>
Long-Term Debt, Less Current Maturities	50,284,697
Other Liabilities and Deferred Credits	9,915,192
Deferred Income Taxes	-
Minority Interest	258,774
	<u>60,458,663</u>
Stockholder's Equity:	
Common Stock, Par Value \$1,000 per Share; authorized and issued 1,000 shares	1,000,000
Excess at acquisition of Net Assets of Consolidated Subsidiaries over Cost	2,485,518
Other Capital	(36,853,818)
Total Stockholders' Equity	7,894,400
Total Liabilities and Stockholders' Equity	<u>\$115,015,027</u>

NWS Exhibit A-19(i)

SECTION 1111.2(b)(6) - AS EXHIBIT A-19, INCOME STATEMENTS,
AS APPROPRIATE, OF THE FOLLOWING:

[By an Order served October 1, 1980, the Commission granted Applicants' request for waiver to file income statements for NW, SR and DH each on a consolidated system basis rather than the corporate entity basis required by Sections 1111.2(b)(6)(ii)-(v). Therefore, Applicants submit responses only to Sections 1111.2(b)(6)(i) and (vi).]

(i) Transferee on a corporate entity basis.

In accordance with Section 7.3(i) of the Agreement of Merger (see Vol. 3, Exh. 9), NWS may transact no business prior to consummation and consequently has no statement of income at present.

NW Exhibit A-19(vi)
Page 1 of 2

(vi) Transferor and subsidiaries on a consolidated basis.

NORFOLK AND WESTERN RAILWAY COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(Thousands of Dollars)

	<u>Year Ended December 31,</u>		<u>Six Months Ended</u>
	<u>1978</u>	<u>1979</u>	<u>June 30, 1980</u>
RAILWAY OPERATING REVENUES:			
Freight	\$1,057,161	\$1,395,217	\$751,320
Other	<u>40,197</u>	<u>53,950</u>	<u>26,127</u>
Total railway operating revenues	<u>\$1,097,358</u>	<u>\$1,449,167</u>	<u>\$777,447</u>
RAILWAY OPERATING EXPENSES:			
Transportation	(446,234)	(553,652)	(293,683)
Equipment	(255,372)	(265,722)	(143,640)
Way and structures	(176,732)	(212,361)	(122,819)
General and administrative	<u>(111,168)</u>	<u>(105,894)</u>	<u>(57,128)</u>
Total railway operating expenses	<u>(989,506)</u>	<u>(1,137,629)</u>	<u>617,270</u>
Income from railway operations	<u>107,852</u>	<u>311,538</u>	<u>160,177</u>
OTHER INCOME (CHARGES):			
Interest	17,219	29,931	25,696
Income of nonrailroad subsidiaries before income taxes and extraordinary credit	17,783	29,601	9,774
Gain on debt reacquired	501	2,314	53
Service interruption insurance claims	58,406	-	-
Other-net	5,344	5,348	2,216
Provision for decline in value of investment in Dereco, Inc.	(13,722)	-	-
Minority interest in income of subsidiaries	<u>(1,632)</u>	<u>(1,621)</u>	<u>(816)</u>
Total other income (charges)	<u>83,899</u>	<u>65,573</u>	<u>36,923</u>
INTEREST EXPENSE	<u>(44,634)</u>	<u>(36,096)</u>	<u>(17,928)</u>
Income before income taxes and extraordinary credit	147,117	341,015	179,172

NW Exhibit A-19(vi)

Page 2 of 2

	Year Ended December 31, 1978	1979	Six Months Ended June 30, 1980
PROVISION FOR INCOME TAXES (CREDIT):			
Current:			
Federal	49,200	107,886	50,695
State	2,734	13,119	7,535
Deferred	(10,717)	21,414	13,558
Total income taxes	41,217	142,419	71,788
Income before extra- ordinary credit	105,900	198,596	107,384
Extraordinary credit-adjustment of deferred income tax liability	59,254	-	-
NET INCOME	\$165,154	\$198,596	\$107,384

SR Exhibit A-19(vi)
Page 1 of 2

SOUTHERN RAILWAY COMPANY AND CONSOLIDATED SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(Thousands of Dollars)

	Year Ended December 31,		Six Months Ended June 30, 1980
	1978	1979	
RAILWAY OPERATING INCOME			
Railway operating revenue	\$1,260,671	\$1,467,270	\$812,031
Railway operating expenses	(1,044,361)	(1,208,917)	(657,521)
Net revenue from railway operations	<u>216,310</u>	<u>258,353</u>	<u>154,510</u>
OTHER INCOME			
Revenue from property used in other than carrier operations	4,403	4,410	2,385
Miscellaneous rent income	2,164	1,795	1,002
Dividend income	580	891	289
Interest income	15,696	24,358	14,287
Income from sinking and other funds	3,367	3,363	1,153
Release of premiums on funded debt	65	40	7
Miscellaneous income	14,770	16,581	12,910
Total other income	<u>41,045</u>	<u>51,438</u>	<u>32,033</u>
Total income	<u>257,355</u>	<u>209,791</u>	<u>186,543</u>
MISCELLANEOUS DEDUCTIONS FROM INCOME			
Expenses on property used in other than carrier operations	632	559	368
Taxes on property used in other than carrier operations	1,743	1,847	1,060
Miscellaneous rent expense	20	18	9
Miscellaneous income charges	12,005	15,905	3,417
Uncollectible accounts	-	76	30
Total miscellaneous deductions	<u>14,400</u>	<u>18,405</u>	<u>4,884</u>
Income available for fixed charges	<u>242,955</u>	<u>291,386</u>	<u>181,659</u>
FIXED CHARGES			
Interest on funded debt			
(a) fixed interest not in default	61,567	67,577	35,880
Interest on unfunded debt	155	222	131
Amortization of discount on funded debt	313	548	272
Total fixed charges	<u>62,035</u>	<u>68,327</u>	<u>36,283</u>
Income after fixed charges	<u>180,920</u>	<u>223,059</u>	<u>145,376</u>

SR Exhibit A-19(vi)

Page 2 of 2

	Year Ended December 31, 1978	1979	Six Months Ended June 30, 1980
PROVISION FOR INCOME TAXES			
Income taxes on ordinary income			
Federal income taxes	20,084	21,427	19,146
State income taxes	5,397	7,525	4,274
Provision for deferred income taxes	28,120	33,485	21,399
Total income taxes	<u>53,601</u>	<u>62,437</u>	<u>44,819</u>
 NET INCOME	 127,319	 160,622	 100,557
 Add: Retained earnings unappropriated beginning of year	 725,458	 805,167	 909,954
Appropriations released	1,298	357	-
Less: Dividends	(44,326)	(51,710)	(29,698)
Other debits to retained income	(2,384)	(2,384)	-
Appropriations for other purposes	(2,198)	(2,098)	-
Retained earnings unappropriated end of period	<u>\$ 805,167</u>	<u>\$ 909,954</u>	<u>\$980,813</u>

DH Exhibit A-19(vi)
Page 1 of 1

DELAWARE AND HUDSON RAILWAY COMPANY AND SUBSIDIARIES
Consolidated Statements of Income (Loss)

	1978	1979	Six Months Ended June 30, 1980
RAILWAY OPERATING REVENUES:			
Freight	\$ 83,713,058	\$100,956,580	\$ 58,386,520
Other	<u>1,549,580</u>	<u>1,546,862</u>	<u>748,740</u>
Total railway operating revenues	<u>85,262,638</u>	<u>102,503,442</u>	<u>59,135,260</u>
RAILWAY OPERATING EXPENSES:			
Transportation	42,687,332	47,494,291	9,529,700
Maintenance of equipment	28,720,380	33,375,469	17,525,362
Maintenance of way and structures	14,263,999	18,628,171	27,359,477
General and administrative	<u>9,284,609</u>	<u>10,709,863</u>	<u>5,812,224</u>
Total railway operating expenses	94,956,320	110,207,794	60,226,763
Loss from railway operation	(9,693,682)	(7,704,352)	(1,091,503)
OTHER INCOME (CHARGES):			
Income from New York State Grants	861,834	1,077,535	555,324
Interest, rents and other	1,654,365	2,075,979	715,718
Gain on debt reacquired	252,360	483,077	469,882
Loss of nonrailroad subsidiaries before income taxes	(4,175)	(3,580)	(829)
Other expense	(664,990)	(461,047)	(284,321)
Minority interest in income of subsidiaries	<u>(9,072)</u>	<u>(9,253)</u>	<u>(3,401)</u>
Total other income (charges)	<u>2,090,322</u>	<u>3,162,711</u>	<u>1,452,313</u>
INTEREST EXPENSE	<u>4,062,117</u>	<u>4,162,448</u>	<u>2,229,726</u>
Income (Loss) before Federal income taxes	(11,665,477)	(8,704,089)	(1,868,916)
FEDERAL INCOME TAXES	<u>9,600</u>	<u>8,305</u>	<u>-</u>
Net income (loss)	<u>\$ (11,675,077)</u>	<u>\$ (8,712,394)</u>	<u>\$ (1,868,916)</u>

NWS Exhibit 20
Page 1 of 6

SUMMARY OF ECONOMIC BENEFITS

Year 1

	Annual Benefits (000)	One Time Benefits (000)
Rail Traffic Diversion Study	\$15,749	\$ -
Traffic Gains from Motor Carriers	1,101	-
Improvements in Operations		
Common Point Consolidations	5,717	(8,779)
Rerouting and Run-Through	17,420	-
Shop & Repair Facilities	379	-
Maintenance of Way Coordination	1,361	-
Roanoke Car Shops	10,465	-
Equipment Requirements	-	(18,655)
Car Utilization	15,338	-
Purchasing	8,920	-
Duplicate Sales Offices	4,973	-
Labor Protection Costs	-	(4,138)
Planned System Improvements	-	(47,618)
Totals*	<u>\$81,423</u>	<u>\$(79,190)</u>

* This statement does not include the one-time benefit from abandonment of a portion of the NF&D (see Volume 7 -- related applications).

SUMMARY OF ECONOMIC BENEFITS

Year 2

	Annual Benefits (000)	One Time Benefits (000)
Rail Traffic Diversion Study	\$20,249	\$ -
Traffic Gains from Motor Carriers	1,982	-
Improvements in Operations		
Common Point Consolidations	5,717	-
Rerouting and Run-Through	20,066	-
Shop & Repair Facilities	379	-
Maintenance of Way Coordination	1,361	-
Roanoke Car Shops	10,465	-
Equipment Requirements	-	(15,213)
Car Utilization	15,338	-
Purchasing	10,840	-
Duplicate Sales Offices	5,639	-
Labor Protection Costs	-	(88)
Planned System Improvements	-	-
Totals	<u>\$92,036</u>	<u>\$(15,301)</u>

20

NWS Exhibit 20
Page 3 of 6

SUMMARY OF ECONOMIC BENEFITS

Year 3

	Annual Benefits (000)	One Time Benefits (000)
Rail Traffic Diversion Study	\$22,499	\$ -
Traffic Gains from Motor Carriers	2,202	-
Improvements in Operations		
Common Point Consolidations	5,717	-
Rerouting and Run-Through	21,389	-
Shop & Repair Facilities	379	-
Maintenance of Way Coordination	1,361	-
Roanoke Car Shops	10,465	-
Equipment Requirements	-	(6,862)
Car Utilization	15,338	-
Purchasing	10,840	-
Duplicate Sales Offices	5,639	-
Labor Protection Costs	-	(2)
Planned System Improvements	-	-
Totals	<u>\$95,829</u>	<u>\$ (6,864)</u>

SUMMARY OF ECONOMIC BENEFITS

Normal Year

	Annual Benefits <u>(000)</u>	One Time Benefits <u>(000)</u>
Rail Traffic Diversion Study	\$22,499	\$ -
Traffic Gains from Motor Carriers	2,202	-
Improvements in Operations		
Common Point Consolidations	5,717	-
Rerouting and Run-Through	21,389	-
Shop & Repair Facilities	379	-
Maintenance of Way Coordination	1,361	-
Roanoke Car Shops	10,465	-
Equipment Requirements	-	-
Car Utilization	15,338	-
Purchasing	10,840	-
Duplicate Sales Offices	5,639	-
Labor Protection Costs	-	-
Planned System Improvements	-	-
Totals	<u>\$95,829</u>	<u>\$ -</u>

SUMMARY OF ECONOMIC BENEFITS

All Years
(000)

Year 1	Annual Benefits	\$ 81,423
	One-Time Benefits	<u>(79,190)</u>
	Total	<u>\$ 2,233</u>
Year 2	Annual Benefits	\$ 92,036
	One-Time Benefits	<u>(15,301)</u>
	Total	<u>\$ 76,735</u>
Year 3	Annual Benefits	\$ 95,829
	One-Time Benefits	<u>(6,864)</u>
	Total	<u>\$ 88,965</u>
Normal Year	Annual Benefits	\$ 95,829
	One-Time Benefits	<u>0</u>
	Total	<u>\$ 95,829</u>

SUMMARY OF ECONOMIC BENEFITS

INDEX OF SOURCES OF BENEFIT DATA

	<u>WITNESS RESPONSIBLE</u>
Rail Traffic Diversion Study	J.R. McMichael/S.D. Guy/ C.M. Snavely, Jr.
Traffic Gains from Motor Carriers	L.K. Kloss/C.M. Snavely, Jr.
Improvements in Operations	
Common Point Consolidations	L.M. Newton/J.R. Martin
Rerouting and Run-Through	C.M. Snavely, Jr.
Shop & Repair Facilities	L.S. Presson, Jr.
Maintenance of Way Coordination	M.E. Wilson, Jr.
Roanoke Car Shops	H.L. Scott, Jr.
Equipment Requirements	L.M. Newton/C.M. Snavely, Jr.
Car Utilization	W.J. Romig/C.M. Snavely, Jr.
Purchasing	N.B. Coggins, Jr.
Duplicate Sales Offices	J.R. McMichael
Labor Protection Costs	T.C. Sheller/R.C. Steele, Jr.
Planned System Improvements	L.M. Newton/J.R. Martin/ M.E. Wilson, Jr./P.P. Dunavant, Jr.

Appendix 1
Page 1 of 11

Response to Section 1111.1(c)(1)(ii) - Name and
business address of directors:

NWS ENTERPRISES, INC.

Milton M. Davenport	920 15th Street, N.W. P.O. Box 1808 Washington, D.C. 20013
Mahlon D. Edwards	920 15th Street, N.W. P.O. Box 1808 Washington, D.C. 20013
Donald E. Middleton	8 North Jefferson Street Roanoke, Virginia 24042
Joseph Pakush	8 North Jefferson Street Roanoke, Virginia 24042

NORFOLK AND WESTERN RAILWAY COMPANY

William H. Bricker	Chairman of the Board and Chief Executive Officer Diamond Shamrock Corporation 2300 Southland Center Dallas TX 75201
August A. Busch III	Chairman of the Board and President Anheuser-Busch Companies, Inc. 721 Pestalozzi Street St. Louis MO 63118
Robert B. Claytor	President Norfolk and Western Railway Company 8 North Jefferson Street Roanoke VA 24042
Lester E. Coleman	President and Chief Executive Officer The Lubrizol Corporation 29400 Lakeland Boulevard Wickliffe OH 44092

Appendix 1
Page 2 of 11

John P. Fishwick

Chairman of the Board and
Chief Executive Officer
Norfolk and Western Railway Compan
8 North Jefferson Street
Roanoke VA 24042

W.H. Krome George

Chairman of the Board and Chief
Executive Officer
Aluminum Company of America
1501 Alcoa Building
Pittsburgh PA 15219

John A. Mayer

c/o Mellon Bank N.A.
Room 462
Mellon Square
Pittsburgh PA 15230

Robert H. Strotz

President
Northwestern University
Rebecca Crown Center
633 Clark Street
Evanston IL 60201

Samuel R. Sutphin

P.O. Box 23
Zionsville IN 46077

William H. Wendel

Vice Chairman of the Board
and Consultant
Kennecott Corporation
Carborundum Center
P.O. Box 156
Niagara Falls NY 14302

SOUTHERN RAILWAY COMPANY

William R. Bond

3508 Redmont Road
Birmingham AL 35213

D. William Brosnan

12 Lone Pine Road
Biltmore Forest
Asheville NC 28803

D. Tennant Bryan

Chairman of the Board
Media General, Inc.
333 East Grace Street
Richmond VA 23219

Archie K. Davis	612 South Main Street P.O. Box 10689 Winston-Salem NC 27108
Harry A. DeButts*	Upperville VA 22176
Harold H. Hall	President and Chief Executive Officer Southern Railway Company P.O. Box 1808 Washington DC 20013
Leonard F. Howard	President L.F. Howard Associates, Inc. Suite 1650, Lincoln Bldg. 60 East 42nd Street New York NY 10017
R.L. Ireland, III	Partner Brown Brothers Harriman & Co. 59 Wall Street New York NY 10005
Ralph F. Leach	Morgan Guaranty Trust Company of New York 23 Wall Street New York NY 10015
E.B. Leisenring, Jr.	Chairman of the Board Penn Virginia Corporation 2500 Fidelity Bldg. Philadelphia PA 19109
Arnold B. McKinnon	Executive Vice President Law & Accounting Southern Railway Company P.O. Box 1808 Washington DC 20013
Robert E. McNair	Senior Partner McNair Glenn Konduros Corley Singletary Porter & Dibble Suite 1820, Bankers Trust Tower P.O. Box 11390, Capitol Station Columbia SC 29211

* Director Emeritus.

George S. Paul

Executive Vice President
Administration
Southern Railway Company
P.O. Box 1808
Washington DC 20013

(Two Vacancies)

DELAWARE AND HUDSON RAILWAY COMPANY

<u>NAME</u>	<u>ADDRESS</u>
Selig Altschul	President Aviation Advisory Service, Inc. 26 Broadway New York NY 10004
Arthur B. King	Guthrie Clinic Sayre PA 18840
Lester W. Herzog, Jr.	5 South Loudon Heights Loudonville NY 12211
Jervis Langdon, Jr.	Quarry Farm P.O. Box 224 Elmira NY 14902
Howard F. Miller	Director Division of the Budget State of New York State Capitol Albany NY 12224
Kent P. Shoemaker	President Delaware and Hudson Railway Company 40 Beaver Street Albany NY 12207

Response to Section 1111.1(c)(1)(iii) - Name,
title and business address of officers:

NWS ENTERPRISES, INC.

<u>Name</u>	<u>Title</u>	<u>Business Address</u>
Donald E. Middleton	Chairman of the Board and Secretary	8 N. Jefferson Street Roanoke VA 24042
Milton M. Davenport	President and Treasurer	920 15th St., N.W. P.O. Box 1808 Washington DC 20013
Mahlon D. Edwards	Assistant Secretary	920 15th St., N.W. P.O. Box 1808 Washington DC 20013
Joseph Pakush	Assistant Secretary	8 N. Jefferson Street Roanoke VA 24042

NORFOLK AND WESTERN RAILWAY COMPANY

<u>Name</u>	<u>Title</u>	<u>Business Address</u>
John P. Fishwick	Chairman of the Board and Chief Executive Officer	8 N. Jefferson Street Roanoke VA 24042
Robert B. Claytor	President	8 N. Jefferson Street Roanoke VA 24042
Richard F. Dunlap	Executive Vice President	8 N. Jefferson Street Roanoke VA 24042
John R. Turbyfill	Executive Vice President	8 N. Jefferson Street Roanoke VA 24042
John S. Shannon	Senior Vice President-Law	8 N. Jefferson Street Roanoke VA 24042

Appendix 1
Page 6 of 11

<u>Name</u>	<u>Title</u>	<u>Business Address</u>
John R. McMichael	Senior Vice President- Merchandise Traffic	8 N. Jefferson Street Roanoke VA 24042
Hobart L. Scott, Jr.	Vice President- Operations	8 N. Jefferson Street Roanoke VA 24042
Joseph R. Neikirk	Vice President- Administration	8 N. Jefferson Street Roanoke VA 24042
Daniel L. Kiley	Vice President- Taxation	8 N. Jefferson Street Roanoke VA 24042
Jean Jones	Vice President and Comptroller	8 N. Jefferson Street Roanoke VA 24042
William B. Bales	Vice President-Coal and Ore Traffic	8 N. Jefferson Street Roanoke VA 24042
R. Alan Brogan	Vice President- Material Management	8 N. Jefferson Street Roanoke VA 24042
John M. Fricke	Treasurer	8 N. Jefferson Street Roanoke VA 24042
Donald E. Middleton	Secretary	8 N. Jefferson Street Roanoke VA 24042

SOUTHERN RAILWAY COMPANY

<u>Name</u>	<u>Title</u>	<u>Business Address</u>
Harold H. Hall	President and Chief Executive Officer	920 15th Street, N.W. Washington DC 20005
Earl L. Dearhart	Executive Vice President-Marketing	920 15th Street, N.W. Washington DC 20005
Arnold B. McKinnon	Executive Vice President-Law and Accounting	920 15th Street, N.W. Washington DC 20005
George S. Paul	Executive Vice President-Adminis- tration	920 15th Street, N.W. Washington DC 20005

Appendix 1
Page 7 of 11

<u>Name</u>	<u>Title</u>	<u>Business Address</u>
Edward B. Burwell	Senior Vice President-Operations	920 15th Street, N.W. Washington DC 20005
Karl A. Stoecker	Senior Vice President-Finance	920 15th Street, N.W. Washington DC 20005
Edward G. Kreyling, Jr.	Senior Vice President-Marketing Services	920 15th Street, N.W. Washington DC 20005
Edward T. Breathitt, Jr.	Vice President-Public Affairs	920 15th Street, N.W. Washington DC 20005
Robert S. Geer	Vice President-Industrial Development	99 Spring Street, S.W. Atlanta GA 30303
Samuel D. Guy	Vice President-Sales	920 15th Street, N.W. Washington DC 20005
John L. Jones	Vice President-Management Information Services	99 Spring Street, S.W. Atlanta GA 30303
Donald R. McArdle	Vice President and Comptroller	920 15th Street, N.W. Washington DC 20005
William D. McLean	Vice President-Real Estate and Insurance	920 15th Street, N.W. Washington DC 20005
Paul R. Rudder	Vice President-Transportation	920 15th Street, N.W. Washington DC 20005
Walter W. Simpson	Vice President-Engineering	920 15th Street, N.W. Washington DC 20005
James L. Tapley	Vice President-Law	920 15th Street, N.W. Washington DC 20005
D. Henry Watts	Vice President-Personnel	920 15th Street, N.W. Washington DC 20005
Walter B. Brown	Vice President-Columbia	700 Columbia Building Columbia SC 29201
Challen E. Caskie	Vice President-New Orleans	1205 St. Louis Street New Orleans LA

Appendix 1
Page 8 of 11

<u>Name</u>	<u>Title</u>	<u>Business Address</u>
J. Wilbert Forbes	Vice President- Raleigh	907 Wachovia Bank Building Raleigh NC 27602
Glenn E. Taylor	Vice President- Nashville	19th Floor, Life and Casualty Building Nashville TN 37219
Milton M. Davenport	Secretary	920 15th Street, N.W. Washington DC 20005

DELAWARE AND HUDSON RAILWAY COMPANY

<u>Name</u>	<u>Title</u>	<u>Address</u>
Kent P. Shoemaker	President and Chief Executive Officer	40 Beaver Street Albany NY 12207
Donald D. Muir	Vice President- Finance	40 Beaver Street Albany NY 12207
Thomas E. O'Brien	Vice President- Sales and Marketing Group	40 Beaver Street Albany NY 12207
William W. Collins	Vice President- Administration and Strategic Planning	40 Beaver Street Albany NY 12207
Richard E. Long	Secretary and Assistant Vice President- Administration and Planning	40 Beaver Street Albany NY 12207
Robert E. Sullivan	Comptroller	40 Beaver Street Albany NY 12207
John N. Evanoff	Treasurer	40 Beaver Street Albany NY 12207

Response to Section 1111.1(c)(1)(iv) - Name and business addresses of 10 principal stockholders as of last record date and their respective holdings:

The names, business addresses, and holdings of NW's 10 principal stockholders as of September 18, 1980 are as follows:

<u>Name and Business Address</u>	<u>Common</u>	<u>Preferred</u>	<u>Total</u>
Bankers Trust Company 16 Wall Street New York, New York 10015	2,030,480	-	2,030,480
Morgan Guaranty Trust Company 30 West Broadway New York, New York 10015	1,736,239	-	1,736,239
Merrill Lynch, Pierce, Fenner & Smith, Inc. 70 Pine Street New York, New York 10005	784,635	-	784,635
Bank of New York 48 Wall Street New York, New York 10015	767,368	-	767,368
The Chase Manhattan Bank One Chase Manhattan Plaza New York, New York 10081	580,543	-	580,543
State Street Bank and Trust 801 State Street Quincy, Illinois 62301	573,024	-	573,024
United States Trust Company 130 John Street New York, New York 10038	518,380	-	518,380
Pittsburgh National Bank Pittsburgh National Building Pittsburgh, Pennsylvania 15230	479,998	-	479,998
Manufacturers Hanover Trust Co. 40 Wall Street New York, New York 10015	424,550	-	424,550

<u>Name and Business Address</u>	<u>Common</u>	<u>Preferred</u>	<u>Total</u>
Shawmut Bank of Boston One Federal Street Boston, Massachusetts 02211	392,860	-	392,860

The names, business addresses, and holdings of SR's ten principal stockholders as of September 18, 1980 are as follows:

	<u>Common</u>	<u>Preferred</u>	<u>Total</u>
Cede & Co. Box 20, Bowling Green Sta. New York, NY 10274	5,300,054	163,639	5,463,693
Penn Virginia Equities Corp. Suite 12, 4th Floor 410 W. 9th Street Wilmington, Delaware 19801	400,000	-	400,000
Map and Co. P.O. Box 26986 Richmond, VA 23261	313,505	6,100	319,605
Kray & Co. c/o Midwest Stock Exchange Clearing Corp. 120 South LaSalle Street Chicago, IL 60603	277,708	4,955	282,663
Pacific & Co. P.O. Box 7877 San Francisco, CA 94120	229,790	1,126	230,916
ICO c/o Treasurer St. of Ohio P.O. Box 1170 Columbus, Ohio 43216	200,000	-	200,000
Batrus & Co. c/o Bankers Trust Company P.O. Box 706, Church St. Sta. New York, NY 10008	144,452	-	144,452

Appendix 1
Page 11 of 11

	<u>Common</u>	<u>Preferred</u>	<u>Total</u>
Trust Company Bank TTEE Southern Railway System Tax Reduction Act Employee Stock Ownership Plan U/A Dtd. 9/8/77 c/o Trust Department P.O. Box 4655 Atlanta, GA 30302	137,456	-	137,456
Borla c/o Union Bank Securities Custody Dept. P.O. Box 2278, Terminal Annex Los Angeles, CA 90054	120,000		120,000
EX & Co. c/o The Bank of N.Y. P.O. Box 11203 New York, NY 10249	100,000		100,000
Touchstone & Co. c/o State Street Bank & Trust Co. P.O. Box 5006 Boston, MA 02101	100,000		100,000

Delaware and Hudson Railway Company has outstanding 1000 shares of Common Stock, the only class outstanding, with a par value of \$1000 per share. All shares are owned by Dereco, Inc., a wholly owned subsidiary of NW, and are pledged to USRA to secure a loan granted pursuant to a Loan Agreement dated March 15, 1976 between DH and USRA.

Response to Sections 1111.1(c)(7) through (11).

Explanatory Note: The following chart contains Applicants' responses to Sections 1111.1(c)(7) through (11) of the Commission's consolidation regulations. The data set forth in the chart discloses the extent to which Applicants are controlled by any other corporation or corporations, the measure of control of ownership exercised by Applicants over other carriers subject to the Act, the degree to which Applicants and their affiliates share common officers or directors, and the existence of any other intercorporate relationships between Applicants, or their affiliates, and any other carrier.

<u>Name of Company</u>	<u>Number of Shares</u>	<u>Par Value</u>	<u>Interest or Ownership</u>	<u>Held By</u>	<u>Common Officers and Directors</u>
The AC&Y Terminal	1,000	\$ --	100%	AC&Y RR	
Airforce Pipeline, Inc.	250	100	100%	Atlantic & East Carolina	
The Akron & Barberton Belt Railroad Company	250	100	25%	AC&Y RR	
The Akron Canton & Youngstown Railroad Company	126,971	--	100%	NW	
The Alabama Great Southern Railway Company	156,600	50	100%	SR	
Albany Port Railroad Corporation	500	5	50%	DH	
Albany and Vermont Rail Road Company	4,561	100	76.02%	DH	
Algers, Winslow and Western Railway Company	2,500	--	50%	SR	
Arrowood Corporate Center Associates	--	--	47%	Arrowood Southern Executive Park	
Arrowood-Southern Company	100	100	100%	The National Investment Company	
Arrowood-Southern Executive Park, Inc.	1,000	1	100%	SR	
The Atlanta and Charlotte Air Line Railway Company	16,999	100	100%	SR	

<u>Name of Company</u>	<u>Number of Shares</u>	<u>Par Value</u>	<u>Interest or Ownership</u>	<u>Held By</u>	<u>Common Officers and Directors</u>
Atlanta Terminal Company	1,000 500	\$100	66.67% 33.33% <u>100.00%</u>	SR Central of Georgia	
Atlantic and East Coast Railway Company	1,000	--	100%	SR	
Atlantic and North Carolina Railroad Company	2,605	100	15.09%	Norfolk Southern	
Augusta and Summerville Railroad Company	500 500	100	25.% 25.% 50.%	SR Central of Georgia	
Beaver Street Tower Company	100	1	25%	Georgia Southern and Florida	
The Belt Railway Company of Chicago	2,400	100	7.69%	NW	
Birmingham Terminal Company	1,000 250 250	100	66.66% 16.67% 16.67% <u>100.00%</u>	SR Alabama Great Southern Central of Georgia	
Blue Ridge Railway Company	1,000	100	100%	SR	
Camp Lejeune Railroad Company	1,000	25	100%	SR	
Central of Georgia Railroad Company	1,000	100	100%	SR	

Name of Company	Number of Shares	Pay Value	Interest		Held By	and Directors
			Ownership	Value		
Central Transfer Railway and Storage Company	250	\$100	50%	SR		
Charlotte-Southern Corporation	1,000	100	100%	SR		
Chatham Terminal Company	250	100	50%	Central of Georgia		
Chattanooga Station Company	333	100	33.3%	SR		
	333		33.3%	Alabama Great Southern		
	334		33.4%	CNO&TP		
			100.0%			
Chattanooga Terminal Railway Company	600	100	100%	SR		
Chesapeake Western Railway	6,000	100	100%	NW		
Chicago and Western Indiana Railroad Company	10,000	100	20%	NW		
The Cincinnati, New Orleans & Texas Pacific	448,500	20	100%	SR		
The Cincinnati Union Terminal Company	5,000	100	14.29%	CNO&TP		H.H. Hall, Washington, D.C.
	5,000		14.28%	NW		J.R. Turbyfill, Pres.
	10,000		28.57%			Roanoke, Va.
Citico Realty Company	99	50	49.5%	SR		
	35		17.5%	Alabama Great Southern		
	29		14.5%	Central of Georgia		
	23		11.5%	CNO&TP		
	14		7.0%	Georgia Southern		
	200		100.0%	& Florida		

<u>Name of Company</u>	<u>Number of Shares</u>	<u>Par Value</u>	<u>Interest or Ownership</u>	<u>Held By</u>	<u>Common Officers and Directors</u>
The Cleveland Union Terminal Company	7	\$100	7%	NW	
Danville and Western Railway Company	3,686	100	100%	SR	
Delaware and Hudson Railway Company	1,000	1,000	100%	Dereco, Inc.	
Dereco, Inc.	5,808,204	5	99.9%	NW	
Des Moines Union Railway Company	2,000	100	50%	NW	
The Detroit and Toledo Shore Line Railroad Company	15,000	100	50%	NW	
Durham and Southern Railroad Company	2,500	100	100%	Norfolk Southern	
Elberton Southern Railway Company	980 1,020 2,000	100	49% 51% 100%	SR A&CAL Railway	
Erie Lackawanna Railway Company	1,000	1,000	0%*	Dereco, Inc.	
Erie Land and Improvement Company	50	100	0%*	Erie Lackawanna	

Index
5 of 5

Name of Company		Shares	Value	Percentage	Other	Address
Erie Land and Improvement Company of Pennsylvania	100	\$ 50	0%			Erie Lackawanna
Fairport Painesville and Eastern Railway Company	250	2,000	50%	NW		
1515 Eye Street Associates	--	--	62%			Southern Region Industrial Realty, Inc.
Fort Wayne Union Railway Company	400	100	50%	NW		
Fruit Grower's Express Company	7,488 65 2,567 1,288 463 700 12,571	100	6.62% .05% 2.27% 1.14% .41% .62% 11.11%	SR		Alabama Great Sou. Central of Georgia CNO&TP Georgia, Sou. & Fla. Norfolk Southern W.D. McLean Washington, D.C.
The Georgia Midland Railway Company	1,336 13,907		1.18% 12.29%	NW		L. Atkinson, Jr. Roanoke, Va.
The Georgia Northern Railway Company	10,000	100	100%	SR		
The Georgia Southern and Florida Railway Company	6,000	100	100%	SR		
	18,825	100	100%	SR		

<u>Name of Company</u>	<u>Number of Shares</u>	<u>Par Value</u>	<u>Interest or Ownership</u>	<u>Held By</u>	<u>Common Officers and Directors</u>
Green Real Estate Company	66,288	\$ --	33.33%	NW	
Greenwich & Johnsonville Railway Company	2,250	100	100%	DH	
High Point, Randlemen, Asheboro and Southern Railroad Company	4,254	50	85.73%	SR	
High Point, Thomasville & Danton Railroad Company	2,187-3/4	100	100%	Winston-Salem Southbound	
The Hoboken Ferry Company	1,000	100	0%	.Erie Lackawanna	
Hudson Realty Company	10	100	0%*	Erie Lackawanna	
Hudson River Estates Inc.	2,030	100	100%	DH	
Illinois Terminal Railroad Company	363.636%	10	18.18%	NW	
Interstate Railroad Company	80,000	100	100%	SR	
Iowa Transfer Railway Company	161	100	12.5%	Des Moines Union	
Kansas City Terminal Railway Company	1,833-1/3	100	8.33%	NW	

<u>Name of Company</u>	<u>Number of Shares</u>	<u>Par Value</u>	<u>Interest Ownership</u>	<u>Held By</u>
Kentenia Corporation**	10,000	\$ --	100%	Pocahontas Develop- ment Corp.
Kentucky & Indiana Terminal Railroad Company	250	100	33.34	SR
Keokirk Union Depot Company	200	100	20%	NW
Knoxville & Ohio Railroad	11,222	100	100%	SR
Lackawanna and Wyoming Valley Railway	16,190	1	0%*	Erie Lackawanna
Lafayette Union Railway Company	--	--	--	(leased by NW until August 31, 1989, and thereafter on a year-to-year basis)
Lake Erie Dock Company	100	--	100%	NW
The Lake Erie and Fort Wayne Railroad Company	4,000	25	100%	NW
Lambert's Point Docks, Incorporated	1,800	610¢	100%	Virginia Holding Corporation
Lawroy Land Company	100	100	0%*	Erie Lackawanna
The Lehigh and Hudson River Railway	15,370	100	0%*	Erie Lackawanna

<u>Name of Company</u>	<u>Number of Shares</u>	<u>Par Value</u>	<u>Interest or Ownership</u>	<u>Held By</u>	<u>Common Officers and Directors</u>
Lenoir Car Works	15,000	\$100	100%	SR	
Live Oak, Perry and South Georgia Railway Company	4,870	100	100%	Georgia Southern & Fla.	
The Lorain & West Virginia Railway Company	20,000	100	100%	NW	
Louisiana Southern Railway Company	10,000	10	100%	Alabama Great Southern	
Macon Terminal Company	333 333 333 999	100	33.34% 33.33% 33.33% 100.00%	SR Georgia Sou. & Fla. Central of Georgia	
Mahoning State Line Railroad Company	87	50	0%*	Erie Lackawanna	
Memphis & Charleston Railroad Company	106,261	25	100%	SR	
Memphis & Charleston Railway Company	1,000	100	100%	SR	
Mobile & Birmingham Railroad Company	8,961	100	99.83%	SR	
NW Equipment Corporation	100	--	100%	Dereco, Inc.	
Napierville Junction Railway Company	24,000	50	100%	DH	

Name of Company

The National Investment Company	5,000	\$100	100%	SR	
New Jersey, Indiana & Illinois Railroad Company	8,250	100	100%	NW	
New Orleans Terminal Company	20,000	100	100%	Alabama Great Southern	
The Niagara Junction Railway Company	2,500	--	0%*	Erie Lackawanna	
The Nickel Plate Improvement Company Inc.	100	100	100%	NW	
Norfolk, Franklin and Danville Railway Company	15,000	100	100%	NW	
Norfolk and Portsmouth Beltline Railroad Company	72 72 144 288	100 100	14.29% 14.28% 28.57% 57.14%	SR Norfolk Sou. NW	Paul Rudder Washington, D.C. Richard F. Dunlap Roanoke, Va.
Norfolk Southern Industrial Development Corp.	100	1	100%	Norfolk Southern	
Norfolk Southern Railway Company	50,000	1	100%	Southern	

<u>Name of Company</u>	<u>Number of Shares</u>	<u>Par Value</u>	<u>Interest or Ownership</u>	<u>Held By</u>	<u>Common Officers and Directors</u>
The North Carolina Midland Railroad Company	8,995	\$100	97.35%	Southern	
The North Carolina Railroad Company	710	100	1.78%	The National Investment Co.	
North Charleston Terminal Company	350	100	33.33%	SR	
Northern Coal and Iron Company	15,000	100	100%	DH	
The Northern New York Development Company	100	100	100%	DH	
Northern Ohio Food Terminal, Inc.	10,800	5	71.1%	Virginia Holding Corporation	
Northwestern Mining & Exchange Company of Erie, Pennsylvania	30,000	100	0%*	Erie Lackawanna	
NWS Enterprises, Inc.	500 500 <u>1,000</u>	1	50% 50% <u>100%</u>	NW SR	
Ocean Steamship Company of Savannah	20,000	100	100%	Central of Georgia	
Ore Belt Railroad Company	400	100	100%	SR	
Pennsylvania Coal Company	500,000	50	0%*	Erie Lackawanna	

<u>Name of Company</u>	<u>Shares</u>	<u>Value</u>	<u>Ownership</u>	<u>Notes</u>
Peoria and Pekin Union Railway Company	1,500	\$100	15%	NW
Pittsburgh & Cross Creek Railroad Company	240	50	17.1%	NW
The Pittsburgh & West Virginia Railway Company	--	--	--	(leased by NW for 99 yrs. from October 16, 1964.)
Pocahontas Development Corporation	100	--	100%	Pocahontas Land Corporation
Pocahontas Kentucky Corporation	100	--	100%	Pocahontas Land Corporation
Pocahontas Land Corporation	10,000	100	100%	NW
Powhatan Oil and Gas Corporation	500	10	100%	NW
The Pullman Company	7,047 3,063 15,106 <u>25,216</u>	.02 .02 .02	0%* 0.42% 2.08% <u>2.50%</u>	Erie Lackawanna DH NW John R. Turbyfill Roanoke, Va. (vacancy)
The Pullman Company	22,383 2,034 3,189 3,198 1,453 <u>32,257</u>	.02	3.06% .28% .44% .44% .19% <u>4.41%</u>	SR Alabama Great Southern Central of Georgia CNO&TP Georgia Southern & Fla.
	<u>57,471</u>		<u>6.91%</u>	

<u>Name of Company</u>	<u>Number of Shares</u>	<u>Par Value</u>	<u>Interest or Ownership</u>	<u>Held By</u>	<u>Common Officers and Directors</u>
Railbox Company	--	\$ --	(Restricted to guaranteeing payment of debt incurred by Railbox in connection with lease financing of 1,000 50-foot box cars up to \$28,000,000)	NW	John R. Turbyfill Roanoke, Va.
				SR	Karl A. Stoecker Washington, D.C.
Ress Realty Company	1,985	10	0%*	Erie Lackawanna	
Richmond, Fredericksburg and Potomac Railroad Company	39,863	25	76.35%	Richmond-Washington Co.	
Richmond-Washington Company	4,450	100	20%	SR	
Rochester & Genessee Valley Railroad	3,881	100	0%*	Erie Lackawanna	
Rutland and Whitehall Rail Road Company	553	100	21.63%	DH	
St. Johns River Terminal	1,000	100	100%	SR	
The Saratoga and Schenectady Rail Road Company	3,448	100	76.62%	DH	

<u>Name of Company</u>	<u>Shares</u>	<u>Value</u>	<u>Percentage</u>	<u>Notes</u>
The Sciota Valley and New England Rail Road Company	50	\$100	100%	NW
700 N. Fairfax Street	--	--	45%	Southern Region Industrial Realty Inc.
Shenandoah-Virginia Corporation	100	10	100%	NW
South Buffalo Development Co., Inc.	100	--	100%	NW
The South Western Rail Road Company	51,830	100	100%	Central of Georgia
Southern Rail Terminals, Inc.	100	50	100%	National Investment Company
Southern Rail Terminals of North Carolina, Inc.	1,000	--	100%	SR
Southern Railway Company	162,570 21,436	10	.99% .13%	CNO&TP Danville & Western Railway Co.
	4,186		.03%	HPRA&S
	4,476		.03%	LOP&SG
	45,212		.27%	National Investment Co.
	905,724		5.49%	Southern Region Investment Co.
	854		--	Pennsylvania Railroad Co.
	9,286		.06%	Yadkin Railroad Co.
	<u>1,153,744</u>		<u>7.00%</u>	

<u>Name of Company</u>	<u>Number of Shares</u>	<u>Par Value</u>	<u>Interest or Ownership</u>	<u>Held By</u>	<u>Common Officers and Directors</u>
Southern Railway- Carolina Division	41,762	\$100	100%	SR	
Southern Region Coal Transport, Inc.	100	10	100%	SR	
Southern Region Distri- bution Services, Inc.	5,000	10	100%	SR	
Southern Region Industrial Realty, Inc.	500	100	100%	SR	
Southern Region Investment Company	100	--	100%	SR	
Southern Region Materials Supply, Inc.	50	10	100%	SR	
Southern Region Motor Transport	2,660	100	100%	Central of Georgia	
State University Railroad Company	168	100	54.02%	SR	
Sumter and Wateree River Railroad Company	6,000	1	100%	Southern Railway- Carolina Division	
Tennessee, Alabama & Georgia Railway Company	301,063	2.50	100%	SR	
Tennessee Northern Railway Company	2,500	100	100%	SR	

<u>Name of Company</u>	<u>Number of Shares</u>	<u>Value</u>	<u>Ownership</u>	<u>Held By</u>	<u>and Directors</u>
Tennessee Railway Company	100	\$ --	100%	SR	
Terminal Properties, Inc.	50	10	50%	SR	
	25		25%		Alabama Great Southern
	25		25%		Central of Georgia
	100		100%		
Terminal Railroad Association of St. Louis	2,058	100	6.25%	SR	E.B. Burwell Washington, D.C.
	2,058		6.25%	NW	Richard F. Dunlap
	4,116		12.50%		Roanoke, Va.
The Toledo Belt Railway Company	3,000	100	100%	NW	
The Toledo Terminal Railroad	3,872	100	10.72%	NW	
Trailer Train Company	1,500	1	7.32%	NW	Hobart L. Scott, Jr.
	500	1	0%*	EL	John S. Shannon
	2,000	1	7.32%		John R. Turbyfill
	500	1	2.44%	SR	Walter W. Simpson Karl A. Stoecker
	500		2.44%		W. W. Simpson
	1,000		4.88%		Washington
	3,000		12.20%		

<u>Name of Company</u>	<u>Number of Shares</u>	<u>Par Value</u>	<u>Interest or Ownership</u>	<u>Held By</u>	<u>Common Officers and Directors</u>
Transylvania Railroad Company	3,595	\$100	97.16%	SR	
Union Belt of Detroit	--	--	(operated pursuant to an operating agreement dated January 22, 1958, with C&O and ConRail)	NW	
Virginia & Southwestern Railway Company	20,000	100	100%	SR	
Virginia Holding Corporation	1,000	100	100%	NW	
Virginia Midland Railway Company	51,563.45	100	100%	SR	
Wabash Railroad Company	596,719 (common) 6,500 (preferred)	-- 100	80%	NW	
The Wheeling and Lake Erie Railway Company	298,315 (common) 115,867 (prior Lien)	100 100	91%	NW	
Wilkes-Barre Connecting Railroad Company	3,652	50	100%	DH	

<u>Name of Company</u>	<u>Number of Shares</u>	<u>Value</u>	<u>Ownership</u>	<u>Held By</u>	<u>and Directors</u>
Winston Land Corporation	2,017 (owned entirely by Winston-Salem Southbound Railway Company, which is 50% owned by NW)	\$100	50%	NW	
Winston-Salem Southbound Railway Company	6,225	100	50%	NW	
Woodstock & Blockton Railway Company	1,200	100	50%	Alabama Great Southern	
Wyoming Valley Improvement Company	374,965	50	100%	DH	
Yadkin Railraod Company	9,300	50	74.40%	SR	

* Norfolk and Western Railway Company (NW) owns approximately 99.9% of the voting stock of Dereco, Inc., which in turn owns 100% of the voting stock of Erie Lackawanna Railway Company (EL). However, EL entered reorganization on June 26, 1972, pursuant to the provisions of Section 77 of the Bankruptcy Act, as supplemented by the Regional Rail Reorganization Act of 1973, and commenced to be operated independently of Dereco, Inc., or NW under the supervision of court-appointed trustees. Consolidated Rail Corporation, in which neither Dereco, Inc., nor NW has any ownership interest, on April 1, 1976, took over all rail proper-ties of EL except those eligible for discontinuance or abandonment under the Regional Rail Reorganization Act of 1976, as amended. Accordingly, the extent of control percentages indicated for EL and its affiliated companies do not reflect any control by NW over EL, or through EL over its affiliates.

** Kentenia Corporation was dissolved as of July 25, 1980.

Appendix 3
Page 1 of 3

Response to Section 1111.1(c)(12) - The amount of Applicants' outstanding capital stock, by classes, and in connection therewith the par value or stated value of each share, its voting rights, if any, the total number of stockholders of record, and the voting rights of all security holders:

NWS ENTERPRISES, INC.

Outstanding Capital Stock as of September 18, 1980

<u>Class</u>	<u>Votes Per Share</u>	<u>Par Value Per Share</u>	<u>Outstanding Shares</u>	<u>Stockholders of Record</u>
Common Stock	1	\$1.00	1000	2

NORFOLK AND WESTERN RAILWAY COMPANY

Outstanding Capital Stock as of September 18, 1980

<u>Class</u>	<u>Votes Per Share</u>	<u>Par Value Per Share</u>	<u>Outstanding Shares</u>	<u>Stockholders of Record</u>
Common Stock	1	\$8.33-1/3	31,600,666	72,831

Appendix 3
Page 2 of 3

SOUTHERN RAILWAY COMPANY

Outstanding Capital Stock as of September 18, 1980

	<u>Shares</u>			
	<u>Preferred</u>	<u>Common</u>	<u>Series A Preference</u>	<u>Total</u>
Issued	1,198,611	16,560,003		17,758,614
Deduct shares not entitled to vote:				
Unexchanged: \$100 par		190		190
50 par				
10 par	13,755			13,755
Held by subsidiaries controlled 50% or more	101,600	1,153,744		1,255,344
Treasury shares		722		722
Held by National Invest- ment Company for prede- cessor company stock- holders	858	800		1,658
Held by National Invest- ment Company for AGS stock- holders		376		376
Held by Successor Voting Trustees	74	1,350		1,424
Held by First & Merchants for:				
Tennessee Railroad bondholders	16			16
Norfolk Southern stockholders				
Shares entitled to vote	1,082,324	15,402,805		16,485,124
Stockholders of record (one vote per share)				30,661

Appendix 3
Page 3 of 3

DELAWARE AND HUDSON RAILWAY COMPANY

Outstanding Capital Stock as of September 18, 1980

<u>Class</u>	<u>Votes Per Share</u>	<u>Par Value Per Share</u>	<u>Outstanding Shares</u>	<u>Stockholders of Record</u>
Common	1	\$ 1000	1000	1